

U.S. DEPARTMENT OF HOMELAND SECURITY

U.S. DEPARTMENT OF TRANSPORTATION

CALIFORNIA STATE LANDS COMMISSION

PUBLIC HEARING IN THE MATTER OF

CABRILLO PORT LIQUEFIED NATURAL

GAS DEEPWATER PORT LICENSE

OXNARD, CALIFORNIA

WEDNESDAY, APRIL 19, 2006

1:00 P.M. TO 4:00 P.M.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

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Envirocom, Communications Strategies

Mark Prescott, Chief, Deepwater Port Standard Division,
U.S. Coast Guard Headquarters

Dwight Sanders, Chief, Division of Environmental Planning
and Management, California State Lands Commission

Cheryl Karpowicz, AICP, Ecology & Environment, Inc.
International Specialists in the Environment

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1 P R O C E E D I N G S

2 MODERATOR GRANT: I'm Surlene Grant, I'll be your
3 facilitator this afternoon, also this evening.

4 I'm sorry, you can't hear me? Louder? Is this
5 better? Okay.

6 My name is Surlene Grant and I'm going to serve as
7 your facilitator for this afternoon's meeting session. This
8 meeting is a public hearing to receive comments on the
9 Revised Draft Environmental Impact Report for the Cabrillo
10 Port Liquified Natural Gas Deepwater Port.

11 If you've come to speak, I would like for you to
12 take a moment and make sure that you've completed one of the
13 yellow speaker cards that's out front and that one of the
14 people at the front registration table has received this
15 card.

16 At this particular moment, I'm going to have a
17 special announcement made by Lourdes, our Spanish
18 Translator.

19 MS. CAMPBELL: (Spanish announcement.)

20 MODERATOR GRANT: Thank you. Okay, a little bit
21 about the process. We're going to have a short presentation
22 by our Panelists. Then, following that, it will be your
23 opportunity to participate by offering public comment.

24 Again, the way you are selected to offer public
25 comment is by completing the yellow speaker card.

1 The people out front will be organizing the cards
2 by categories of elected and appointed officials, public
3 agencies, individuals, and those who represent
4 organizations. They will be giving them to me in the order
5 that they have received them, in those categories.

6 I will be going systematically through the cards.
7 If you feel that you've been omitted or you're not sure
8 where you are in the process, the women or the gentlemen at
9 the desk, outside, can answer that question for you.

10 You will have three minutes to offer your
11 comments. I will be timing you. When there's one minute
12 left, I will put this piece of paper up right here, so you
13 can see it. At the end of three minutes my timer will go
14 off. You may or may not hear it, it's a slight little beep.
15 If you don't hear it, I will cut you off.

16 Continue to speak -- we have several microphones
17 here, this meeting is being recorded by the court reporter.
18 Please continue to speak throughout your three minutes.
19 Applause, cheering, jeering, all of that, continue to speak
20 through that and the recorder will be able to pick it up and
21 your time will continue to count.

22 If you have written comments, because some people
23 just want to prepare written comments, because they don't
24 want to speak in public, and some people have written
25 comments along with their public statement, I will take the

1 written comments, you can bring them to me here. The
2 written comments will be submitted to the State Lands
3 Commission as part of the process.

4 This is one long, continuous public hearing.
5 We're starting at one o'clock, now, and we'll continue
6 through this evening with a short break in between.

7 If you speak this afternoon, you do not have to
8 speak this evening, and it's one hearing, as I said. And if
9 you allow someone -- if you don't speak this evening, you
10 will be able to allow someone else an opportunity, because
11 we do have a limited amount of time, who may not have
12 participated in the process, yet. So we would respectfully
13 ask that you pay attention to that for us.

14 And without any other instructions, I'm going to
15 introduce Dwight Sanders.

16 MR. SANDERS: Good afternoon. I'm Dwight Sanders
17 and I'm Chief of the Environmental Planning and Management
18 Division with the California State Lands Commission.

19 The State Lands Commission has two significant
20 roles in the proposed project. First, the Commission has
21 received an application from BHP Billiton to use State
22 lands, offshore California, to place natural gas pipelines
23 associated with the proposed Cabrillo Port project.

24 Second, and the reason we are here today, the
25 State Lands Commission is the lead agency under the

1 California Environmental Quality Act, or CEQA, and as such,
2 we are responsible for preparing the Environmental Impact
3 Report for the proposed project.

4 The Cabrillo LNG Deepwater Port Draft EIS/EIR was
5 originally published in October 2004 and circulated for
6 public comment.

7 Somebody here, today, may have also participated
8 in the hearings we held in 2004.

9 The applicant and the lead agency has reviewed the
10 comments received and the applicant subsequently modified
11 key elements of the project, which will be described to you
12 later, in our presentation.

13 Commission staff determined that modifications and
14 related potential impacts constituted "significant new
15 information," as defined under CEQA, and has prepared and
16 recirculated the Revised Draft EIR for additional public
17 comment.

18 The purpose of this hearing is to receive comments
19 from everyone on the adequacy of the analyses within the
20 Revised Draft EIR.

21 While staff appreciates that the project has
22 generated controversy and concern, statements of either
23 support or opposition will really not enable us to better
24 prepare and finish the document. We really would like you
25 to focus on how well we have done in analyzing the

1 environmental impacts that may be associated with the
2 project.

3 The public comment period for this document is
4 designated to end on April 28th. We believe, however, that
5 an extension of time will serve the public interest by
6 providing increased opportunity for the submission of
7 comments.

8 We have decided, therefore, to extend the comment
9 period by two weeks. That is until May 12th. This
10 extension will result in a cumulative 60-day public review
11 period for the draft.

12 Let me emphasize that no consideration of the
13 project will occur until a final environment document is
14 prepared and released. This will not happen until sometime
15 later this year.

16 Under the California Environmental Quality Act the
17 Commission, at another noticed public hearing, will consider
18 the final EIR. Should the Commission certify the
19 environmental document as being adequate under the law, the
20 Commission would subsequently consider whether to approve or
21 disprove BHP Billiton's application for a pipeline right-of-
22 way lease.

23 With me today are Mark Prescott, representing the
24 U.S. Coast Guard, on my immediate right. Cheryl Karpowicz,
25 representing ecology and environment, our environmental

1 consultant, on the far right. And you've already met
2 Surlene Grant, who will be facilitating the hearing for us.

3 Thank you for taking the time to provide us
4 comments on the Draft EIR.

5 MR. PRESCOTT: Thank you, Dwight.

6 Good afternoon. As Dwight mentioned, my name is
7 Mark Prescott, I'm the Chief of the Coast Guard's Deepwater
8 Port Standards Division, at Coast Guard Headquarters in
9 Washington D.C.

10 My office is responsible for processing all
11 deepwater port applications in cooperation with the Maritime
12 Administration. We are the lead Federal agencies for the
13 development of the environmental impact statement, which we
14 are preparing as a joint document with the California State
15 Lands Commission.

16 The California State Lands Commission, as Dwight
17 has mentioned, determined that the Cabrillo Port LNG
18 Deepwater Port Environmental Impact Report would be
19 recirculated to meet the California Environmental Quality
20 Act requirement.

21 The Draft EIR was initially published as a joint
22 State/Federal Draft EIS, Draft EIR, in October of 2004. The
23 Coast Guard and the Maritime Administration had determined
24 that recirculation of the Draft Environmental Impact
25 Statement, the Federal document, was not required to meet

1 the Federal requirements of the National Environmental
2 Policy Act and other Federal regulations.

3 The reason I'm here is that while we have
4 determined that under NEPA recirculation of the 2004 Draft
5 EIS is not required, the Coast Guard and MARAD fully support
6 the California State Lands Commission's efforts to satisfy
7 the CEQA requirement of the recirculation of the Draft EIR.

8 I wanted to come here to help explain our role and
9 to demonstrate our continued support and cooperation with
10 the State. It is our intention to continue to work closely
11 with the State and we will consider all comments received on
12 the Draft EIR for appropriate incorporation into the final
13 EIS/EIR.

14 We fully expect to jointly produce a single final
15 document, later this year, that will serve as the basis for
16 State and Federal decision-makers.

17 The Coast Guard, MARAD, and other Federal agencies
18 cooperating in this process, and in cooperation with our
19 State of California partners, are all committed to working
20 together to achieve a fair, open, and unbiased environmental
21 review that examines all relevant issues.

22 We invite and encourage public participation
23 throughout this process and I would just like to reiterate
24 what Dwight said, comments that we are looking for today are
25 aimed at addressing any issues with regard to the document

1 that has been published.

2 If you'd like to follow, the Federal docket is on
3 the DOT website, and the Docket Number is 16877. That
4 information is also in the State's notice of this meeting.

5 Thank you. At this time, Cheryl Karpowicz will
6 give some description of the project and some of the
7 changes.

8 MS. KARPOWICZ: Thank you. The California State
9 Lands Commission and the U.S. Coast Guard have hired Ecology
10 and Environment, Incorporated to assist them to prepare an
11 independent third-party Environmental Impact
12 Statement/Environmental Impact Report.

13 Our contract is with the California State Lands
14 Commission and we are working directly for Dwight Sanders
15 and Mark Prescott.

16 Our job has been to independently verify
17 information that has been submitted by BHP Billiton, to
18 analyze alternatives and potential impacts, and to assist
19 the Coast Guard and Lands Commission to prepare the document
20 for public review and comment.

21 We received several requests to translate the
22 Revised Draft EIR into Spanish, which we did.

23 Tonight or this afternoon, we have facilities
24 available for simultaneous Spanish translation, and we also
25 have several people, in attendance, who would be happy to

1 assist you to make your comments in Spanish.

2 Now, I'm going to welcome the Spanish-speaking
3 community.

4 (Comments in Spanish.)

5 MS. KARPOWICZ: Adrienne, please stand up.

6 (Comments in Spanish.)

7 MS. KARPOWICZ: Tonight, we look forward to
8 receiving your comments regarding the Revised Draft EIR,
9 which incorporates comments received during the 2004 comment
10 period. We will respond to all comments in the final
11 EIS/EIR, which we plan to publish and distribute during the
12 summer of 2006.

13 Here is a map of the proposed project location in
14 the region. The deepwater port would be located about 14
15 statute miles or 12.01 nautical miles offshore of the
16 closest point to land. This is the only place where LNG
17 would be handled.

18 Onshore, a metering station and other facilities
19 would be built and underground pipelines would transport
20 natural gas through Oxnard and/or Ventura County, and in
21 Santa Clarita, to the existing Southern California Gas
22 system.

23 This graphic shows a schematic of the location of
24 the offshore LNG port, and components of the project. Here,
25 you see the offshore components. The floating storage and

1 regasification unit, or FSRU, would be anchored offshore and
2 would connect with two subsea transmission pipelines that
3 would lie on the ocean floor.

4 Closer to shore, the pipelines would be installed
5 beneath the beach, at the Reliant Ormund Beach generating
6 station and would connect with the metering station and then
7 go on to the proposed Center Road pipeline.

8 The two proposed onshore pipelines, the Center
9 Road pipeline in Oxnard and Ventura County, and the line 225
10 pipeline loop, in Santa Clarita, are shown here.

11 There have been a number of changes to the
12 proposed project since we last met with you. All of these
13 changes have been incorporated in the Revised Draft EIR.
14 I'd like to just briefly list them.

15 Some dimensions of the FSRU are larger, including
16 the length, which is now 971 feet, up from 938.

17 The natural gas odorant would be injected on the
18 FSRU to assist in leak detection.

19 The safety zone would be measured from the stern
20 of the FSRU, and not from the mooring point, increasing the
21 size of the safety zone.

22 The U.S. Environmental Protection Agency has
23 determined that a Federal Prevention of Significant
24 Deteriorization, or PSD, requirements do not apply to the
25 project, since maximum pollutant emissions fall below major

1 source thresholds.

2 To reduce air emissions, fewer support vessels
3 would be used and they would operate on natural gas instead
4 of diesel.

5 The route of the offshore pipelines has been
6 revised, following geotechnical analyses, to reduce the
7 potential for a turbidity flow to affect the pipelines.

8 Pipeline installation at the shore crossing would
9 use a technology less likely to release fluids during
10 construction.

11 The Center Road pipeline would be rerouted to
12 bypass Mesa Union School.

13 Additional pipeline safety features would be
14 included to reduce impacts in case of a release of natural
15 gas.

16 The changes have been analyzed in the Revised
17 Draft EIR.

18 One of our jobs in preparing the report is to
19 analyze both the proposed project and a range of
20 alternatives. The alternatives we examined are shown on
21 this map and include the no action alternative, an
22 alternative port location, alternative shore crossings,
23 three alternatives to the Center Road pipeline, an
24 alternative to the Santa Clarita pipeline.

25 We evaluated a broad range of environmental issues

1 and resources for analysis, as contained in the revised
2 draft EIR. In all, we identified 97 potential impacts and
3 85 mitigation measures. Twenty impacts, in nine resource
4 categories, would remain significant after mitigation.

5 Thank you, and we look forward to your comments.

6 MODERATOR GRANT: Okay, now, we're going to start
7 the public comment section of the meeting. Again, if you
8 wish to be on record and make a comment, I'm asking you to
9 complete one of the yellow cards and give it to one of the
10 persons staffing the front registration desk.

11 I'm going to call you up in groups of about five
12 or six. There are some chairs right here. There's some
13 chairs right here in front, so as I call you up and you're
14 waiting on the next speaker, you can sit in front and you'll
15 already be close to the microphone.

16 When you make your comments, please direct them to
17 the Panelists.

18 And, again, the comments are being recorded. You
19 will be timed for three minutes. The time will be
20 continuous, so continue to talk over applause or any other
21 background noise, because you will be recorded.

22 Our first speaker is Vanessa Hernandez, followed
23 by Jesus Torres, Jean Harris, Dom Facciano, and Elise
24 Malarowitz, M-a-l-a-r-o-w-i-t-z.

25 Speak into the tall one, right.

1 MS. HERNANDEZ: Good afternoon, my name is Vanessa
 2 Hernandez and I'm here representing Congresswoman Lois
 3 Capps.
 4 I have a letter that I will be reading, and this
 5 is to Mr. Dwight Sanders, California State Lands Commission.
 6 "Dear Mr. Sanders, thank you for this
 7 opportunity to comment on the Revised
 8 Draft Environmental Impact Report for
 9 the proposed Cabrillo Port Liquified
 10 Natural Gas Deepwater Port project. I
 11 represent the 23rd Congressional
 12 District, in which the proposed onshore
 13 facility and pipelines would be located.
 14 As a member of the House Energy and
 15 Commerce Committee, I am very interested
 16 in the issues relating to LNG. Like
 17 many of my constituents, I have been
 18 deeply concerned with the Cabrillo Port
 19 LNG project because it represents an
 20 unacceptable threat to public safety,
 21 the environment and the future economic
 22 development of the Central Coast. The
 23 public review process, to date, has been
 24 insufficient and failed to adequately
 25 account for these concerns. I am,

T003-1

Sections 4.2.4, 4.2.7.3 and 4.2.8.2 identify agencies with the authority and responsibility for safety standards, design reviews, and compliance inspections. Section 2.1 and Appendix C3-2 identify applicable safety standards.

The lead agencies directed preparation of the Independent Risk Assessment (IRA), and the U.S. Department of Energy's Sandia National Laboratories independently reviewed it, as discussed in Section 4.2 and Appendix C. Section 4.2.7.6 and the IRA (Appendix C1) discuss the models and assumptions used and the verification process. Sandia National Laboratories (Appendix C2) concluded that the models used were appropriate and produced valid results.

The IRA evaluates the consequences of a potential vapor cloud (flash) fire, as discussed in Section 4.2.7.6 and the IRA (Appendix C1). The IRA determined that the consequences of the worst credible accident involving a vapor cloud fire would be more than 5.7 NM from shore at the closest point, as summarized in Table 4.2-1. Figure 2.1-2, Consequence Distances Surrounding the FSRU Location for Worst Credible Events, depicts the maximum distance from the FSRU in any direction that could be affected in the event of an accident. The shape and direction of the affected area within the circle depicted in Figure 2.1-2 would depend on wind conditions and would be more like a cone than a circle, but would not reach the shoreline.

T003-2

Section 1.5 contains information on the public review and comment opportunities provided by the lead agencies in full conformance with the provisions of the law. Both the CSLC and MARAD/USCG have met or exceeded the public notice requirements for this Project (see Sections 1.5.1 and 1.5.3).

In accordance with NEPA and the CEQA regulations, the lead Federal and State agencies have responded specifically to all comments, both oral and written, that concern the Project's environmental issues received during public comment periods. All comments and responses are included in the Final EIS/EIR.

A Revised Draft EIR was recirculated under the CEQA in March 2006 for an additional public review period of 60 days. Sections 1.4 and 1.5.3.2 contain additional information on this topic.

Section 1.1 discusses regulations and agencies involved in the licensing and potential approval of the proposed Project. The USCG and MARAD will hold a final public hearing on the license

with a 45-day comment period before the Federal Record of Decision is issued. The CSLC also will hold a hearing to certify the EIR and make the decision whether to grant a lease. Section 1.5 contains additional information regarding public notification and opportunities for public comment.

Section 4.16 addresses socioeconomic impacts.

1 therefore, very pleased that you have
2 extended the public comment period to
3 May 12. However, given the scale of
4 this proposal, as well as the complex,
5 technical issues, assumptions and models
6 contained in the 2,500-plus page Revised
7 Draft EIR, I would respectfully request
8 an additional extension to the comment
9 period for the following reasons. One,
10 the State Lands Commission failed to
11 make available public air emissions, air
12 modeling, and air quality impact data
13 from the Cabrillo Port in a timely
14 matter. The lack of data severely
15 hindered the public's ability to
16 adequately review and comment on the
17 Revised Draft EIR.
18 Two. Many members of the public, that
19 requested copies of the Revised Draft
20 EIR online, received their copies of the
21 revised draft late or did not receive
22 them at all. These community members
23 must be given a reasonable amount of
24 time to review and provide the State
25 Lands Commission with detailed comments

T003-3

T003-3

The public comment period was extended to May 12 to provide a 60-day public review period for the Revised Draft EIR rather than the 45-day review period required by the state CEQA Guidelines. The information contained on the missing figures in Appendix J-3 "Geologic and Geotechnical Evaluation of Proposed Center Road and Line 225 Loop Pipeline Routes for BHP Cabrillo Port Project," which were inadvertently left off the initial CD version of the document, was reflected in the information and analyses contained within the Revised Draft EIR. Members of the public had 51 days from the time the figures were posted on the web site to review them. Although errata postcards were mailed to all recipients of the Revised Draft, no one requested copies of the Appendix J-3 figures. In addition, all CDs sent to the public following the initial reporting of the matter contained the entirety of the printed document.

T003-3 Continued

15

1 on the impacts of this proposal. As you
 2 know, the Revised Draft EIR, released on
 3 March 13th, was incomplete.
 4 Specifically, the draft was missing 22
 5 figures associated with Appendix J-3.
 6 Despite being notified of the omission,
 7 the missing information was not posted
 8 on the State Lands Commission website
 9 until March 22nd.
 10 I am hopeful you will grant additional
 11 time for the public to review this
 12 first-of-a-kind project off California's
 13 coast. In my view, there are a number
 14 of critical issues that still need to be
 15 addressed in the Revised Draft EIR. For
 16 example, there are lingering questions
 17 about the public safety, security for
 18 LNG, and the impact Cabrillo Port will
 19 have on our region's air quality and the
 20 marine environment. Most significantly,
 21 I believe further consideration of
 22 Cabrillo Port project would await the
 23 development of a regional plan for LNG
 24 facilities. To date, elected officials
 25 and regulators have not thoroughly --

T003-3
Continued

T003-4

Sections 4.2.4, 4.2.7.3 and 4.2.8.2 identify agencies with the authority and responsibility for safety standards, design reviews, and compliance inspections. Section 2.1 and Appendix C3-2 identify applicable safety standards. The lead agencies directed preparation of the Independent Risk Assessment (IRA), and the U.S. Department of Energy's Sandia National Laboratories independently reviewed it, as discussed in Section 4.2 and Appendix C. Section 4.2.7.6 and the IRA (Appendix C1) discuss the models and assumptions used and the verification process. Sandia National Laboratories (Appendix C2) concluded that the models used were appropriate and produced valid results.

The Independent Risk Assessment (IRA), which was independently reviewed by the Sandia National Laboratories, evaluates the consequences of a potential vapor cloud (flash) fire, as discussed in Section 4.2.7.6 and the IRA (Appendix C1). The IRA determined that the consequences of the worst credible accident involving a vapor cloud fire would be more than 5.7 NM from shore at the closest point, as summarized in Table 4.2-1. Figure 2.1-2, Consequence Distances Surrounding the FSRU Location for Worst Credible Events, depicts the maximum distance from the FSRU in any direction that could be affected in the event of an accident. The shape and direction of the affected area within the circle depicted in Figure 2.1-2 would depend on wind conditions and would be more like a cone than a circle, but would not reach the shoreline.

T003-4

Table 4.2-2 and Sections 4.2.6.1 and 4.2.7.6 contain information on the threat of terrorist attacks. The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.6.1.3 contains a revised discussion of Project emissions and proposed control measures. Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures. Section 4.7.4 contains information on impacts on marine biological resources and mitigation measures to address potential impacts.

T003-5

T003-5

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

16

1 MODERATOR GRANT: Your time is up.

2 MS. HERNANDEZ: Thank you.

3 MODERATOR GRANT: Thank you.

4 Jesus Torres.

5 MR. SANDERS: May I also just interrupt the
6 proceedings for just a moment. As a courtesy to us and
7 those who are speaking, could you kindly turn off your cell
8 phones.

9 UNKNOWN SPEAKER: We can't hear you.

10 MODERATOR GRANT: We're asking, as a courtesy --

11 MR. SANDERS: Turn off your cell phones, please.

12 MODERATOR GRANT: -- for the process, please turn
13 off your cell phones.

14 Jesus Torres.

15 MR. TORRES: Thank you. My name is Jesus Torres,
16 I'm here representing State Assembly Member Pedro Nava. He
17 represents the 35th Assembly District, which includes
18 portions of Oxnard, Ventura, Santa Barbara County.

19 And here, I have a letter on his behalf,
20 commenting on this project.

21 "As elected Assembly Member for the 35th
22 District, which includes Ventura and
23 much of Oxnard, I am sensitive to the
24 concerns that the constituents have
25 expressed regarding the above-referenced

17

1 proposal by BPH Billiton, including air
 2 quality, noise emissions, water quality,
 3 and security issues. Furthermore, our
 4 coastline is precious and must be
 5 protected for future generations.
 6 Industrializing it with LNG facilities
 7 will cause irreparable harm and endanger
 8 our lives, homes, marine sanctuaries and
 9 sensitive ecosystems. I am very
 10 concerned that there's a lack of other
 11 regulatory mechanism in place to insure
 12 that California" --
 13 MR. SANDERS: Sir, can you speak a little slower,
 14 please?
 15 MR. TORRES: I'm just trying to get through in
 16 three minutes, so everyone please bear with me, here.
 17 "I'm very concerned that there's a lack
 18 of regulatory mechanism in place to
 19 insure that California is being offered
 20 the best available technology, maximum
 21 benefit, and minimum environmental
 22 impact. The current process does not
 23 allow for real competition between
 24 proposals and instead we find ourselves
 25 in a first-come, first-approval

T003-6

T003-6

The FSRU would be located outside of the current boundary of the Channel Islands National Marine Sanctuary (CINMS) and vessels associated with Cabrillo Port operations would not be expected to enter the CINMS. Sections 4.7.1.4, 4.13.2.2, and 4.20.1.5 discuss the potential expansion of the CINMS boundary, which is not proposed at this time. Sections 4.7.4, 4.15.4, 4.16.4, and 4.18.4 describe potential impacts on the marine environment and proposed mitigation measures to reduce those potential impacts.

T003-7

Section 1.1.1 contains information on the process used by the Deepwater Port Act (DWPA) of 1974, as amended, which establishes a licensing system for ownership, construction and operation of deepwater port (DWP) facilities. As discussed, the role of the Maritime Administration (MARAD) is to balance the Congressionally imposed mandates (33 U.S.C. 1501) of the DWPA, including those to protect the environment; the interests of the United States and those of adjacent coastal states in the location, construction, and operation of deepwater ports; and the interests of adjacent coastal states concerning the right to regulate growth, determine land use, and otherwise protect the environment in accordance with law.

At the same time, the California State Lands Commission (CSLC) is reviewing the application to ultimately decide whether to grant the Applicant a lease to cross State sovereign lands. As described in Section 1.2.1, "[t]he CSLC authorizes leasing of State lands to qualified applicants based on what it deems to be in the best interest of the State in compliance with the [California Environmental Quality Act]."

T003-7

Section 1.1.2 contains information on the Governor of California's role in DWP licensing. As discussed, MARAD may not issue a license without the approval of the Governor of the adjacent coastal state (33 U.S.C. 1503(c)(8)). Section 1.1.3 contains information on the role of the U.S. Environmental Protection Agency (USEPA): "[t]he Port must meet all Federal and State requirements and is required to obtain air and water discharge permits from the USEPA." Section 1.2.1 contains additional information on Federal and State responsibilities. Section 1.1.4 contains information on the role of the CSLC to consider whether or not to grant a lease of State lands for the subsea pipelines. The lease may also include conditions relating to those parts of the Project not located on the lease premises. As described in Section 1.3.1, one of the main purposes of the EIS/EIR for MARAD is to "(f)acilitate a determination of whether the Applicant has demonstrated that the

DWP would be located, constructed, and operated in a manner that represents the best available technology necessary to prevent or minimize any adverse impacts on the marine environment."

The USEPA, the U.S. Department of Commerce, including NOAA's National Marine Fisheries Service (NMFS or NOAA Fisheries Service), and the U.S. Department of the Interior, including the Minerals Management Service and the U.S. Fish and Wildlife Service, are cooperating Federal agencies.

As discussed in Section 1.3.2, for significant impacts, the CSLC must adopt a Statement of Overriding Considerations to approve the Project if the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable adverse environmental effects (State CEQA Guidelines section 15093(a)). After the CSLC's decision, other State and local agencies may take actions on the Project, i.e., on related permits or necessary approvals. These agencies include the California Public Utilities Commission, the California Coastal Commission, the California Department of Fish and Game, the California Air Resources Board, the Los Angeles Regional Water Quality Control Board, the California Department of Transportation, the City of Oxnard and/or Ventura County (for the onshore part of the Project within the coastal zone), and local air quality control districts such as the Ventura County Air Pollution Control District and the South Coast Air Quality Management District. Section 1.4.2 contains information on the changes to the proposed Project that have been made during the environmental review process.

Section 1.5 contains information on opportunities for public comment. After the MARAD final license hearing, the public will have 45 days to comment on the Final EIS/EIR and the license application. The Federal and State agencies will have an additional 45 days to provide comments to the MARAD Administrator. The Administrator must issue the Record of Decision within 90 days after the final license hearing. The CSLC will hold a hearing to certify the EIR and make the decision whether to grant a lease. The California Coastal Commission will also hold a hearing. Comments received will be evaluated before any final decision is made regarding the proposed Project.

California Senate Bill 426 (Simitian), which would have created a ranking process for different LNG projects, was re-referred to the California Assembly Committee on Utilities and Commerce on August 24, 2006. As of November 30, 2006, the Legislature's Current Bill Status shows it as "From Assembly without further action," which ended the consideration of the bill during the

2005-06 Legislative Session.

T003-7 Continued

18

1 situation, with no true ventilation
 2 based on the merits of competing
 3 projects. Due to a lack of a coherent
 4 policy, as mentioned above, several
 5 issues are of great concern to the
 6 community and the State. Among them,
 7 the Cabrillo Port project proposes that
 8 BHP Billiton will use an experimental,
 9 untested, unproven technology to store,
 10 regasify approximately 100 million
 11 gallons of LNG, thus exposing the whole
 12 community to potentially catastrophic
 13 accidents. Because LNG facility is a
 14 highly visible one, easily identified
 15 landmark, it would be very susceptible
 16 to a terrorist attack. According to the
 17 Congressional Research Service Report
 18 for Congress, entitled "Liquified
 19 Natural Gas Import Terminal Sighting,
 20 Safety, and Regulation," dated January
 21 28th, 2004. In light of the terrorist
 22 attacks of September 11th, 2001,
 23 Congress is concerned about the security
 24 of existing LNG infrastructure and the
 25 security implication of a major increase

T003-7
Continued

T003-8

T003-8

Section 2.1 contains information on design criteria and specifications, final design requirements, and regulations governing the construction of the FSRU. The Cabrillo Port must be designed in accordance with applicable standards, and the U.S. Coast Guard has final approval. Section 4.2.4 contains information on Federal and State agency jurisdiction and cooperation. The Deepwater Port Act specifies regulations that all deepwater ports must meet; Section 4.2.7.3 contains information on design and safety standards for the deepwater port. Section 4.2.8.2 contains information on pipeline safety and inspections. Impact EJ-1 in Section 4.19.4 addresses additional pipeline design requirements in areas of low-income and minority communities. The EIS/EIR's analyses have been developed with consideration of these factors and regulations and in full conformance with the requirements of NEPA and the CEQA.

T003-9

T003-9

Table 4.2-2 and Sections 4.2.6.1 and 4.2.7.6 contain information on the threat of terrorist attacks. Section 4.2.7.6 and the Independent Risk Assessment (Appendix C1) contain information on public safety impacts from various incidents at the FSRU. The analysis indicates that the maximum impact distance of an accident or intentional incident would involve a vapor cloud dispersion extending 6.3 nautical miles (7.3 miles) from the FSRU. The FSRU would be located approximately 12.01 nautical miles (13.83 miles) offshore; therefore, consequences of an accident or intentional incident involving LNG transport by carrier and storage on the FSRU would extend no closer than 5.7 nautical miles (6.5 miles) from the shoreline.

1 in LNG imports to the United States.
 2 The California Energy Commission has not
 3 conducted a specific LNG need assessment
 4 request. Request for California Public
 5 Utilities Commission evidentiary
 6 hearings have been rejected. Natural
 7 gas is a direct competitor for renewable
 8 technologies. If you build this
 9 proposal, you'll undercut California's
 10 effort to increase the role of renewable
 11 energy. The LNG facility will not act
 12 as a bridge to renewable energy but,
 13 rather, as a roadblock. Instead of
 14 supporting construction of an
 15 infrastructure that will shackle us to
 16 more fossil imports from all areas of
 17 the globe, California would be better
 18 served to encourage capital investments
 19 in an energy infrastructure that will
 20 help us make the transition to
 21 domestically available renewable energy
 22 sources. There is no guarantee that LNG
 23 in California will stay in California."
 24 I have a copy of this letter because you guys may
 25 want to see it. For the audience, too.

T003-10

Section 1.2.1 contains information on the USCG and State formal hearings.

T003-10

Following publication of this Final EIS/EIR, MARAD, the USCG, and the CSLC will serve public notice and hold final hearings. MARAD and the USCG will hold a final DWPA license hearing in accordance with 33 CFR 148.222. After the final license hearing is concluded by MARAD and the USCG, the Commandant (CG-3PSO), in coordination with the Administrator of MARAD, will consider any requests for a formal hearing as specified in 33 CFR 148.228. The CSLC will hold a hearing to certify the EIR and make the decision whether to grant a lease.

T003-11

As discussed in Section 1.2.1, the California Energy Commission (CEC) and California Public Utilities Commission (CPUC) must "carry out their respective energy-related duties and responsibilities based upon information and analyses contained in a biennial integrated energy policy report adopted by the CEC." Section 1.2.1 also describes the public process that is used to develop the Integrated Energy Policy Reports to ensure that California's energy-related interests and needs are met.

Section 1.5 contains information on opportunities for public comment. After the MARAD final license hearing, the public will have 45 days to comment on the Final EIS/EIR and the license application. The Federal and State agencies will have an additional 45 days to provide comments to the MARAD Administrator. The Administrator must issue the Record of Decision within 90 days after the final license hearing. The CSLC will hold a hearing to certify the EIR and make the decision whether to grant a lease. The California Coastal Commission will also hold a hearing. Comments received will be evaluated before any final decision is made regarding the proposed Project.

T003-11

Sections 1.2.2, 1.2.3, 1.2.4, 3.3.1, 3.3.2, and 4.10.1.3 contain information on the need for natural gas, the role and status of energy conservation and renewable energy sources, and the California Energy Action Plan.

20

MODERATOR GRANT: Jean Harris.

MS. HARRIS: My name is Jean Harris, I represent

the Savior's Road Design Team. I came to Oxnard in 1976, so
I've been here a long time.

There is a fatal flaw in this Environmental Impact
Report. Both CEQA and NEPA require the submittal of a
serious range of various alternatives that may do less
damage to the environment than the proposed project.

Legally, it is not enough to declare that the only
alternatives are to change the location or to abandon the
project. Our coastal environment has ample alternatives in
the solar, wind, wave, and biotechnology options for
discussion and comparison.

Surely, a powerful company, such as BHP, is
knowledgeable regarding alternatives and someday will
replace fossil fuels.

Until true alternatives are included in the EIR,
this document is incomplete and inadequate. Surely, the
Lands Commission and the Coast Guard will agree.

(Applause.)

MODERATOR GRANT: Thank you.

Dom Facciano.

MR. FACCIANO: Good afternoon. Dom Facciano,
President of the Ventura County Taxpayers Association.

We look at the Cabrillo Port project as to how it

T003-12

Sections 1.2, 3.1, 3.2, 3.3.1, 3.3.2, 3.3.3, 4.10, and 4.10.1.3 contain information on the range of alternatives evaluated. Sections 3.3.1 and 3.3.2 address conservation and renewable energy sources, within the context of the California Energy Commission's 2005 Integrated Energy Report and other State and Federal energy reports, as alternatives to the Project.

Under NEPA and the CEQA, a reasonable range of alternatives must be considered. NEPA requires consideration of a "reasonable" number of alternatives. In determining the scope of alternatives, the emphasis is on "reasonable." "Reasonable" alternatives include those that are practical and feasible from the technical and economic standpoint and using common sense (CEQ 40 Questions; #2a). The information must be sufficient to enable reviewers and decision-makers to evaluate and compare alternatives.

CEQA Guidelines section 15126.6(a) provides, in part, "An EIR shall describe a range of reasonable alternatives to the project, or to the location of the project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project, and evaluate the comparative merits of the alternatives. An EIR need not consider every conceivable alternative to a project."

The EIS/EIR initially evaluated 18 locations for the FSRU as potential locations for the deepwater port. It built on previous California Coastal Commission studies that evaluated nearly 100 locations. Sections 3.3.7 and 3.3.9 discuss alternate locations and technologies that were considered, but not carried forward in the analyses for the reasons indicated.

T003-13

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T003-14

Thank you for the information.

T003-12

T003-13

T003-14

T003-14 Continued

21

1 would financially affect the taxpayers. We do not see a
2 cost to the taxpayers, as BHP Billiton will pay for the
3 entire construction cost. In fact, there are economic
4 benefits to the area that will add jobs, 100 at Cabrillo
5 Port and 300 during the building and construction. It can
6 add up to \$25 million annually to the economy.

7 As a leader in nonprofit organizations, I have
8 seen BHP Billiton as a good community partner with local
9 organizations, and believe they will continue to do so.

10 Cabrillo Port is a win/win situation and we urge
11 support for the Draft EIR. Thank you.

12 (Applause.)

13 MODERATOR GRANT: Elise -- for the record, would
14 you spell the last name, please?

15 MS. MALAROWITZ: It's M-a-l-a-r-o-w-i-t-z,
16 Malarowitz.

17 My first thought is that I'm a 49-year resident of
18 Ventura County and for 11 years I've resided at Oxnard
19 Shores, which is one of the most beautiful beaches I've ever
20 seen all over the world.

21 I have to tell you that I completely agree with
22 Lois Capp, she's a brilliant woman, I wish she'd be
23 president, next.

24 But aside from that, I have a number of issues as
25 a stay-at-home-mom and a concerned citizen. One of the

T003-14
Continued

T003-15

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T003-15

22

1 first ones I have is the earthquake issue. I don't believe
 2 there's any report you could give me that tells me it would
 3 be safe out in that water.

4 The other issue is that I was a property appraiser
 5 for 20 years with the County Assessor's Office, I walked
 6 through all the damage of the Northridge quake. I've seen
 7 it firsthand, I've been in the trenches, and it's a terrible
 8 thing to take a chance on in this wonderful thing that we
 9 have.

10 The other thing, I walk at six o'clock in the
 11 morning, I look out at Oxnard Shores and I see that
 12 beautiful ocean and those dolphins, and it's really
 13 important to me to protect them. We have one of the largest
 14 populations of dolphins in the world in Ventura and Santa
 15 Barbara Counties, I'd like to be sure that they're okay.

16 My last issue, I just completed a thesis for a
 17 master's on sleep deprivation. And let me tell you what
 18 happens when you have night shift workers, working out on
 19 platforms and other locations, there's a very big chance for
 20 problems and accidents with sleep-deprived individuals who
 21 are working.

22 And within that thesis, I noted that the problems
 23 at Chernoble, Exxon Valdez, and the Challenger were all
 24 related very much to sleep deprivation, I'm very concerned
 25 about that. I don't want to wake up in the middle of the

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T003-16

T003-16

Section 4.11 contains information on seismic and geologic hazards and mitigation that specifically addresses the potential damage to proposed pipelines from a direct rupture along fault lines. Appendices J1 through J4 contain additional evaluations of seismic hazards.

T003-17

Sections 4.7 and 4.18 discuss marine biological resource and water resources. Impacts BioMar-4, BioMar-5, BioMar-8, BioMar-9, and BioMar-10 in Section 4.7.4 address impacts to marine mammals, including dolphins.

T003-18

Thank you for the information. Cabrillo Port would be a U.S deepwater port and as such would be subject to the jurisdiction of all applicable Federal laws and regulations. This includes Federal labor laws to protect the rights of workers at the deepwater port and those pertaining specifically to worker health and safety on the job.

T003-17

While OSHA has statutory responsibility for oversight and enforcement of these laws on deepwater ports, the Coast Guard anticipated the need to establish workplace safety and health regulatory requirements for deepwater ports. In 33 CFR, Part 150 (Operations), detailed OSHA requirements pertaining to working conditions, safety equipment, safety practices/procedures, training and reporting requirements are outlined. Attendant to that and as a mitigation measure, to prevent workplace accidents and casualties, is the responsibility of the employer (in this case DWP owner and operator) to ensure workers' rights and entitlements to adequate work hours and off time (to include rest/sleep, nutrition, etc.) are complied with.

T003-18

Additionally, the deepwater port operator is required (in accordance with the deepwater port regulations and as a condition of the deepwater port license issued by MARAD) to outline port-specific procedures for workplace safety and health (including mitigations derived from the risk assessment for safety and security required under 33 CFR 150.15(x) and (aa). The Coast Guard demonstrates oversight authority by virtue of the fact that the agency must review and approve these procedures in the Operations Manual before the port can commence operations. Annually thereafter, the port operator must review these procedures to ensure they are relevant and update them as necessary to ensure their effectiveness and compliance with current statutes and regulations and provide the Coast Guard with a status report. Coast Guard inspection personnel, who may be accompanied by MMS and EPA personnel,

will visit and inspect the port to verify report findings.

23

1 night and find out there's a gas bubble flying over my
2 beautiful little beach house.

3 The only other issue I can think of is I am a
4 taxpayer, my property values will dump. That's not going to
5 do me any good.

6 The other issue is the kids. I study with kids
7 all the time, I'm studying to be a counselor. These kids
8 need more schools in Oxnard, and all over this county, and
9 if you're going to have all these pipelines, it's going to
10 take years before they will be approved to get these new
11 schools, because we don't really know where these pipelines
12 are going.

13 The population of Oxnard needs new schools, so I
14 just wanted you to think about that, also. Thank you for
15 your time.

16 (Applause.)

17 MODERATOR GRANT: Thank you. Our next set of
18 speakers, Paul Kay, Nancy Pedersen, Hank Lacayo, Leah
19 Lacayo, and Ralph Burquist. If it's your name I've called,
20 if you could come to the front row.

21 Mr. Kay.

22 MR. KAY: Good afternoon, thank you for the
23 opportunity to speak. I'm representing the Embassy of
24 Australia, in Washington D.C., I've come over here for these
25 hearings.

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T003-19

Section 4.16.1.2 contains information on property values.

T003-20

The lead agencies directed preparation of the Independent Risk Assessment (IRA), and the U.S. Department of Energy's Sandia National Laboratories independently reviewed it, as discussed in Section 4.2 and Appendix C.

T003-19

Section 4.2.7.6 and the IRA (Appendix C1) discuss the models and assumptions used and the verification process. Sandia National Laboratories (Appendix C2) concluded that the models used were appropriate and produced valid results.

T003-20

T003-21
Thank you for the information.

24

1 Just a little bit of background on Australia,
2 because we are looking to supply this project with natural
3 gas from Australia.

4 Australia is a country with a land mass similar to
5 the United States, but it's only got a population of about
6 20 million people. Having said that, it's the eighth
7 largest foreign investor in the United States. So despite
8 that small population, we have a strong involvement in
9 investments in this country.

10 Australia's had 14 years of sustained economic
11 growth, it's the fastest growing economy in the developed
12 world for the past five years. And the reason I say that is
13 because the resource sector has been fundamental to that
14 economic development.

15 We've built a reputation as a reliable supplier of
16 resources, with an impeccable safety record. Australian LNG
17 has been exported to Asia since 1989, with over 1,600
18 shipments delivered without incident.

19 The labor and environmental laws applicable in
20 Australia are consistent with U.S. laws and any
21 infrastructure developments, like this one, also receive
22 rigorous scrutiny, as they do here.

23 Australia's reliability, safety, and pricing
24 structure have resulted in Australia reaching LNG supply
25 agreements with Japan, Korea, and China.

T003-21

25

1 BHP Billiton is Australia's largest company and
2 the world's largest resource company. The company's an
3 excellent corporate citizen, as acknowledged by business and
4 by labor.

5 Australia has extensive natural gas resources,
6 nearly 200 cubic feet, and production of that gas will
7 double in the next five years, specifically to meet Asia
8 Pacific demand for LNG. LNG is a growing industry in the
9 Asia Pacific.

10 Australia has the available resources to help meet
11 U.S. gas demand and it also has an extensive relationship
12 with the United States.

13 However, we do appreciate California's commitment
14 to a renewable energy future, but we propose being part of
15 bridging the gap as you reach that point in 25 to 50 years
16 because, realistically, this is how long developing those
17 industries will take.

18 California can count on Australia to provide
19 energy when the project proceeds, and we hope that the
20 project will come to a conclusion during this third year of
21 review.

22 I sort of pose a question. California seeks the
23 economic and environmental benefits of natural gas, so a
24 logical supplier might well be the world's largest resource
25 company, where the CEO is an American, a United States

T003-21
Continued

T003-21 Continued

26

1 citizen, and that source is also a long-term ally and a
2 western-developed country.

3 The U.S. has a balance of trade surplus with
4 Australia in the order of 6 to 9 billion per annum --

5 MODERATOR GRANT: Sir, your time is up.

6 MR. KAY: -- and why wouldn't you do business with
7 an ally. Thank you very much for that opportunity.

8 MODERATOR GRANT: Nancy Pedersen.

9 MS. PEDERSEN: Good morning, my name is Nancy
10 Pedersen, I have lived in Oxnard since January 1969. I'm
11 opposed to this LNG proposal. While I'm happy that the
12 children at Mesa Union School are now out of harm's way,
13 there are still many schools in Oxnard that have not been
14 moved out of harm's way, the pipeline still goes by them.
15 There are lots of children who need to be
16 protected, not just the children at that one school. This
17 is an experimental project, BHP has never done a project
18 like this before. No one has ever done a project like this
19 before.

20 As Jean Harris spoke, I think all of you who are
21 here know who she is, she's worked along with the late Roma
22 Armburster for years to save the Ormund Beach Wetlands.
23 This pipeline goes to the heart of that wetlands.

24 After all the years we spent trying to preserve
25 and restore the wetlands, it seems really cruel for a

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T003-21
Continued

T003-22

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T003-23

Section 4.13.1 contains information on sensitive land uses in proximity to proposed and alternative pipeline routes, such as schools. There are no schools in the immediate vicinity of either of the proposed pipeline routes. Section 4.2.8 describes regulations regarding pipelines, including the requirement to establish public education programs to prevent and respond to pipeline emergencies. Section 4.2.8.4 contains information on the estimated risk of Project pipeline incidents. Section 4.16.1.2 describes emergency planning and response capabilities in the Project area.

T003-22

T003-23

The proposed pipelines within Oxnard city limits would meet standards that are more stringent than those of existing pipelines because they would meet the minimum design criteria for a U.S. Department of Transportation (USDOT) Class 3 location. Also, MM PS-4c includes the installation of additional mainline valves equipped with either remote valve controls or automatic line break controls. SoCalGas operates high-pressure natural gas pipelines throughout Southern California.

T003-24

T003-25

T003-24

Section 2.1 contains information on design criteria and specifications, final design requirements, and regulations governing the construction of the FSRU. The Cabrillo Port must be designed in accordance with applicable standards, and the U.S. Coast Guard has final approval. Section 4.2.4 contains information on Federal and State agency jurisdiction and cooperation. The Deepwater Port Act specifies regulations that all deepwater ports must meet; Section 4.2.7.3 contains information on design and safety standards for the deepwater port. Section 4.2.8.2 contains information on pipeline safety and inspections. Impact EJ-1 in Section 4.19.4 addresses additional pipeline design requirements in areas of low-income and minority communities. The EIS/EIR's analyses have been developed with consideration of these factors and regulations and in full conformance with the requirements of NEPA and the CEQA.

T003-25

As described in Section 2.3.2, the shore crossing would be installed

beneath Ormond Beach. Sections 4.8.1 and 4.14.1.2 discuss Ormond Beach wetlands. Section 4.8.4 discusses mitigation measures to minimize impacts on wetlands. The presence of the pipelines under Ormond Beach would not restrict access to the area for recreation or otherwise alter recreation opportunities at Ormond Beach. During construction, the horizontal directional boring activities would be contained within the Reliant Energy property, and the pipeline would be buried underneath the beach. This topic is discussed further in Sections 4.15.4 and 4.2.8.4. Updated information about the restoration efforts at Ormond Beach is included in Section 4.13.2. Figure 4.13-1 has been revised.

T003-25 Continued

27

1 foreign company to come here and want to put an oil pipeline
2 through the middle. Thank you.

3 (Applause.)

4 MODERATOR GRANT: Thank you.

5 One moment, sir, we're going to do a microphone
6 fix. Thank you, sir. Can you say your name, Mr. Lacayo?
7 MR. LACAYO: Lacayo. My name is Hank Lacayo and
8 I'm currently a second term as the State President of the
9 Congress of California Seniors. I'm also a current member
10 of the California Commission on Aging, founder and national
11 president emeritus of the Labor Council of Latin American
12 Advancement, founder and past chairman of the United States
13 Hispanic Leadership Institute, and former executive
14 committee member of the United States Leadership Conference
15 on Civil Rights.

16 My wife Leah, and I, have lived in Ventura County
17 for more than 20 years and continue to work to help improve
18 the quality of life for many Latino and hardworking families
19 in under-served communities. In fact, I have devoted my
20 entire life to serving and representing my community as a
21 volunteer, because I feel strongly that everyone should have
22 a voice.

23 I'm here today because I support Cabrillo Port. I
24 do not come to this decision lightly. Many who know me in
25 the community know that I only support issues that I

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T003-25
Continued

T003-26

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T003-26

1 wholeheartedly believe in and strongly feel would be of
2 benefit to the community.

3 As a father, a Veteran, husband, senior, community
4 activist and volunteer in the County, and in Oxnard for many
5 years, I care deeply for our community and the needs and
6 safety of the under-served working class. I would not
7 endorse a project that I believe did not and could not make
8 a commitment to insure that public safety is the number one
9 priority.

10 I believe that the revised draft environmental
11 impact report adequately addresses the public safety
12 concerns that have been expressed by those individuals
13 opposed to the project.

14 It definitely puts my mind at ease knowing that
15 Sandia National Laboratories, considered the top experts in
16 the field of LNG and national security nationwide, worked on
17 this report to offer a valid and thoroughly exhaustive
18 independent analysis regarding public safety.

19 I support an open, constructive and reasoned
20 dialogue about Cabrillo Port because I believe when the
21 people of this community and the State have all the facts,
22 they will understand that Cabrillo Port will be built to the
23 highest public safety and environmental standards and will
24 provide safe and affordable energy to meet Ventura County's
25 ever-growing energy needs today and in the future.

T003-27

The lead agencies directed the preparation of the Independent Risk Assessment (IRA), and the U.S. Department of Energy's Sandia National Laboratories independently reviewed it. See Section 4.2, Appendix C1, and Appendix C2 for additional information on third-party verification of the IRA.

T003-27

T003-28

Section 4.16.1.2 contains information on property values.

T003-29

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

29

1 Energy prices continue to go up, double digits
2 year after year, and senior citizens and working families
3 cannot afford it. California seniors and hard-working
4 families need Cabrillo Port to bring liquified natural gas
5 into the State, it will help keep prices in check and home
6 heating and cooking costs low.

7 I'm sorry to hear that some residents in Malibu
8 are more concerned about their property values than helping
9 hard-working families afford to pay higher energy prices.

10 Thank you very much for allowing me to make these
11 remarks.

12 (Applause.)

13 MODERATOR GRANT: Thank you, sir.

14 Leah Lacayo.

15 MS. LACAYO: My name is Leah Lacayo, and I am here
16 to speak on behalf of Alicia Flores, who is in Washington
17 D.C.

18 "My name is Alicia Flores and I serve as
19 the Regional Director of La Herminidad
20 Americana Transnational de Oxnard.
21 Unfortunately, I cannot be here today as
22 I am in Washington D.C. lobbying on the
23 National Immigration Reform Bill in the
24 United States Congress. I have asked my
25 good friend, Leah Lacayo, to speak on my

| T003-28

| T003-29

T003-29
Continued

1 behalf. I work every day fighting for
2 equal rights and opportunities for
3 countless families and hard-working
4 people here, in Oxnard, especially
5 Latinos. I have immense pride in my
6 community and in my home and would never
7 want anything bad to happen to it. As a
8 mother of five, with eight
9 grandchildren, the safety of my family
10 is my number one priority. Initially, I
11 was concerned about Cabrillo Port. I
12 believe that too often poor, mostly
13 minority communities are left bearing
14 the burden of hosting the infrastructure
15 and development necessary to support
16 society at large. However, BHP Billiton
17 turns its idea on its head by saying
18 that no one should bear this burden.
19 Its project, Cabrillo Port, is located
20 out in the middle of the ocean, far, far
21 away from us and anyone. Since it
22 located far from us, Cabrillo Port has
23 practically no impact on my communities
24 that make this project possible.
25 Because Cabrillo Port is a temporary

T003-29
Continued

1 facility, more than 21 miles offshore, I
2 believe it is the safest alternative
3 around. I have asked questions about
4 the onshore pipelines. Would these
5 pipes be dangerous? Would these pipes
6 hurt my children and grandchildren? The
7 answer is no. These same pipelines are
8 already under the ground today and have
9 been there for decades. They'll be
10 owned and operated by Southern
11 California Gas Company, which has
12 delivered natural gas to us for decades.
13 If any one of us uses natural gas to
14 cook food and to warm homes, then
15 chances are those same pipes, that have
16 delivered natural gas to us for decades,
17 will help deliver the same natural gas
18 from Cabrillo Port. I support Cabrillo
19 Port and urge approval of this project."
20 Thank you.
21 (Applause.)
22 MODERATOR GRANT: Our next speaker is Ralph
23 Burquist.
24 Mr. Burquist will be followed by Steven Weimer,
25 Floyd Clawson, Dev Leahy, Peter Melitz.

T003-30
Thank you for the information.

32

1 MR. BURQUIST: Hello, my name is Ralph Burquist.

2 And to the naysayers that are --

3 MODERATOR GRANT: Mr. Burquist, put the mike up to
4 you.

5 MR. BURQUIST: And to the naysayers that are
6 saying that this natural gas lines are going to blow up
7 their homes and blow up their schools, if they look on the
8 side of their house, each one of them's got a gas meter, and
9 that gas has got to come from somewhere, and that somewhere
10 is gas lines that they have in the street already, that's
11 been there for years and years and that will be there for
12 years and years.

13 The only thing that I can see that people are
14 really going to complain about are the extra people that
15 live right on the beach that say, gee, there's something out
16 there, 14 miles from my house, which cannot be seen.
17 Because, believe me, I go out to Anacapa quite a bit and
18 it's almost impossible to see Anacapa probably six months a
19 year.

20 So this little boat floating out there, 14 miles
21 from the shore, should have no effect at all.

22 As far as the line coming in, there's going to be
23 some disruption, it's going to go by somebody's house,
24 maybe, down somebody's street, but the lines are there
25 already, there's other lines there. There's water, there's

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Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

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1 electrical lines, there's telephone lines. It's just part
2 of our infrastructure. And if we don't put in things like
3 this, 10, 20 years from now we're going to have to bring in
4 that gas from somewhere else. The Canadians are shipping
5 all that they can produce to ports in New York and Chicago
6 right now.

7 And California will never produce enough gas for
8 our own use.

9 And as far as Mr. Sanders and the -- well, I call
10 you folks tree huggers, you folks have slowed down progress
11 through the last 10 or 15 years to a point that you're
12 basically stifling society. There's not a bald eagle, or a
13 hootie owl, or whatever, that you don't want to protect.
14 And the vast majority of the taxpayers, the people that are
15 actually paying your salary for doing what you do, we're
16 getting screwed, and we don't like it.

17 You know, maybe more people like me should get up
18 there and tell it to you just like that. Thank you very
19 much.

20 (Applause.)

21 MODERATOR GRANT: Steve Weimer.

22 MR. WEIMER: Good afternoon, my name is Steve
23 Weimer and I'm the Executive Secretary/Treasurer of the Tri-
24 Counties Building and Construction Trades Council. I
25 represent 35 trade craft unions and over 6,000 members in

T003-31

T003-32
Thank you for the information.

34

1 the Tri-Counties.

2 The Council believes that the Cabrillo Port
3 project is the right project, in the right place, and at the
4 right time to meet California needs for natural gas.

5 Right now, California imports about 85 percent of
6 the natural gas it currently needs. According to the
7 California Energy Commission, our natural gas supply will
8 begin to diminish as early as 2008.

9 The Cabrillo Port can help stabilize prices and
10 preserve spiking energy bills for the lower and middle
11 income population. Cabrillo Port will provide more than 200
12 high-paying jobs, with good benefits, for the construction
13 of the pipeline.

14 The building trades will provide these skilled
15 workers for the construction of the pipeline. These workers
16 will insure that this project is built safe and to the
17 highest standard, for our families live in the community and
18 we would not support anything that would put our members or
19 our families in jeopardy.

20 When Cabrillo Port is operational, it will provide
21 employment opportunity for operation and maintenance to
22 local building trades members, creating high-paying
23 employment with benefits.

24 This Council will be working with BHP to insure
25 that we can supply the skilled labor required for the

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1 project.

2 It's for these reasons that the working men and
3 women of the Tri-County Building Construction Trades Council
4 support this project. Thank you and have a good afternoon.

5 (Applause.)

6 MODERATOR GRANT: Floyd Clawson.

7 MR. CLAWSON: I'm Floyd Clawson, I was a petroleum
8 engineer, now retired, and I've very active with the
9 petroleum production pioneers.

10 And one of the things I'd like to point out, that
11 formerly gas was being flared instead of being put into an
12 LNG usage and brought across the world.

13 And California is opposed to the East Coast, as
14 far as pricing is concerned, and I know a few years ago we
15 had a terrible problem in that our gas for electricity, for
16 Edison Company, was going at \$2.00 an NCF, and they had a
17 cold winter back east and the gas prices in the east went to
18 \$10.00 an NCF. Now, which way is Canada going to send their
19 gas? And so we have to realize that's a part of it.

20 One other thing, LNG is transported at minus 257
21 degrees Fahrenheit, and it cannot burn or explode in the
22 form that it's in when it is being transported.

23 Need for LNG, as an additional gas source, looks
24 very important. Gas wells have a much shorter life than oil
25 wells have, in that they deplete in four or five years,

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Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

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Thank you for the information.

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T003-34 Continued

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1 generally. And, therefore, we have to realize that could be
2 taking place.

3 One thing that a lot of people don't realize is
4 that there are 41 LNG terminals in Japan. Now, are they
5 more capable than we are in the U.S., or are they more
6 intelligent about what's going on? I think we need to look
7 at that and realize that is a part of the world.

8 Anyway, I think if we're going to be opposed to
9 oil in energy, we should quit using it and quit causing
10 problems with our using it, and developing it, and doing our
11 own getting the sources that we can.

12 Thank you.

13 (Applause.)

14 MODERATOR GRANT: Dev Leahy.

15 MR. LEAHY: Good afternoon, folks. I'm Dev Leahy.
16 I live in Ventura, I'm a private citizen, I'm retired from
17 working 30 years on the Apollo Space Shuttle and Space
18 Division. Started my career as a test engineer at
19 Underwriter's Lab in Chicago, Illinois.

20 And I want to say, mainly, all of the points that
21 have been made on both sides here are valid points and I
22 compliment you folks because I think these EIR reports
23 brought in, and then revised, and reviewed, and listened to
24 all of the objections, and all that, are very desirable
25 because I, having been a test engineer both in the private

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Continued

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T003-36

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

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1 industry and in the aerospace industry for many years,
2 believe in research, and development, and review because you
3 have to do that to develop any infrastructure particularly,
4 let's say, the space shuttle or even a port like this. Very
5 important.

6 Another important point I want to make is that
7 the -- I understand folks objecting to it and I appreciate
8 these folks that got up here and registered their
9 objections. I just would wish and hope that they would
10 become more informed about the total picture here. I read
11 everything on the net, I get the news every day, I have a
12 special file on my computer for all the information on this
13 Cabrillo Port. All right. And I review it and I read it.

14 And I think that if the people that are opposed to
15 it really read it -- I don't say read the 2,500 pages of the
16 report, I'm not going to do that, but read the summaries and
17 the highlights, and some of the arguments for and against
18 it, I think when you come down to the very end you're going
19 to realize that it's something that is safe. Because, to
20 me, security is something that we have to look for, for
21 ourselves and our children.

22 But I think you'll find it is safe. I have a
23 second home at Bear Valley Springs, up near Tehechapi, we've
24 got a great big gas line running right through the property
25 and they run all over the place.

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T003-36 Continued

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1 I have stock in a few pipelines in the midwest,
 2 and those are pipelines running all over the midwest, not
 3 just -- they run right through towns and everything else.
 4 So I think this is a thing that will be, I hope,
 5 proven. I will wait until the final report comes out, and
 6 everybody should, but I think in the end that it will be
 7 approved and I will be supporting then. Thank you very
 8 much.

9 (Applause.)

10 MODERATOR GRANT: Peter Melitz.

11 MR. MELITZ: Parade of the old. My name's Peter
 12 Melitz, I'm a private citizen from Westlake Village. I'm
 13 here in support of the Cabrillo Port Liquified Natural Gas
 14 Project.

15 Life is a series of tradeoffs, there are
 16 advantages and there are disadvantages, always, and that's
 17 what we're talking about here. I think this is a
 18 particularly advantageous project. You're talking about, as
 19 far as I know, one of the most pollution-free sources of
 20 energy. It certainly is well tested, the technology's
 21 installed around the world, in many places. I was astounded
 22 to find 136 LNG vessels that are sea, that are floating
 23 around with liquid natural gas.

24 I think a lot of the dissent is specious
 25 reasoning. We're not talking about any energy source not

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T003-36
Continued

T003-37

Thank you for the information.

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Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

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1 having problems, but they seem pretty small when you talk
2 about sleep deprivation, when you talk about the scenery.
3 Those are not particularly significant if you're cold and
4 you're not getting your food cooked.

5 And we have, what did I hear today, a hundred and
6 some thousand miles of gas pipeline in this State, and we're
7 worried about 25 more miles?

8 It seems to me that if anybody ought to be
9 worried, it ought to be about windmill farms. I hate those
10 things. They look terrible and they kill birds. Thank you.

11 (Applause.)

12 MODERATOR GRANT: All right. Again, I want to
13 reiterate that if you want to speak, please fill out a
14 speaker card.

15 Our next speakers will be Chris Williamson,
16 Cecilia Cuevas, Arnie Myers, Thomas McCormick, and Frank
17 Gavilan.

18 As I called your name, please come take one of the
19 seats in the front so that you can be prepared to speak.

20 Chris Williamson.

21 MR. WILLIAMSON: Good afternoon, my name's Chris
22 Williamson, I'm a Senior Planner with the City of Oxnard.

23 I'm here to comment in two ways. Just for the
24 record, the City is currently updating its general plan to
25 the year 2030, I think you're aware of that.

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Continued

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1 The center alignment and perhaps the other
 2 alignments, of course, place the pipeline under Hueneme
 3 Boulevard and Del Norte. Those are both within city limits
 4 and we are considering or would like to consider land uses
 5 near those and on those roads, but having a pipeline under
 6 the road could severely limit the city's ability to consider
 7 certain kinds of land uses in the future. For example,
 8 schools and housing.

9 So with that in mind, would it be possible to have
 10 another alignment considered that puts the pipeline out in
 11 the fields, away from the streets, still allows maintenance
 12 and public safety access, and then even, perhaps, require a
 13 permanent agricultural easement on top of the pipeline route
 14 so that nothing is ever built on or near it in a certain
 15 range of safety.

16 I just want to emphasize that the general plan
 17 update is underway, we are looking at land uses along Del
 18 Norte, and this is going to restrict our ability to do,
 19 consider things in the future.

20 Thank you.

21 MODERATOR GRANT: Thank you. I was moving up to
 22 adjust the microphone so that the next speaker can adjust
 23 the microphone to his or her height. Cecilia Cuevas.

24 MS. CUEVAS: Good afternoon. My name is Cecilia
 25 Cuevas, I'm a Councilwoman for the City of Fillmore, and

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As discussed in Section 4.13.2.1, "consistency with local land use plans must be viewed within the context of the existing franchise agreements that Ventura County and the Cities of Oxnard and Santa Clarita have with SoCalGas. These franchise agreements grant the right, privilege, and franchise for SoCalGas to lay and use pipelines and appurtenances for transmitting and distributing natural gas for any and all purposes under, along, across, or upon public streets and other ROWs."

Section 4.13.1 contains information on sensitive land uses in proximity to proposed and alternative pipeline routes, such as schools. There are no schools in the immediate vicinity of either of the proposed pipeline routes.

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Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

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1 also serve on the Ventura County Transportation Commission.

2 Although I'm not representing my city as a formal
3 position, as we have not taken a formal position as an
4 entire Council, I did want to provide my comments and
5 perspective on the needs and merits of this project.

6 The California Energy Commission has recommended
7 that California secure and diversify its sources of natural
8 gas to insure a sufficient and reliable supply of natural
9 gas.

10 The California Public Utilities Commission states
11 that "California must promote infrastructure enhancements
12 and diversified supply sources to include LNG."

13 As a locally, two-term elected official, County
14 Transportation Commissioner and, most of all, wife and
15 mother, I believe that public safety is the most important
16 issue regarding Cabrillo Port.

17 First of all, I believe that it's going to
18 be -- if, in fact, an LNG facility is going to be in or near
19 Ventura County, we need to have it located away from heavily
20 populated areas and far offshore to insure the highest
21 public safety standard for our community.

22 As mentioned earlier, the Sandia National
23 Laboratories conducted an independent review of the proposed
24 project, defining worst case and most serious potential
25 impacts to public safety, utilizing computer modeling.

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1 The Independent Risk Assessment, or IRA, concluded
2 that given the many safety features incorporated in the
3 design of the proposed project, accidents at the floating
4 storage unit, which they're referring to as the FSRU, would
5 be rare and would not reach shore. Even in the most
6 credible release, such as a deliberate attack.

7 It also concluded that public safety impacts as a
8 result of operational or natural incidents would not affect
9 the general public.

10 The IRA indicates that the moss tank design is a
11 very robust design against -- designed for marine
12 collisions, and concludes that accidental marine collisions
13 are improbable.

14 In addition, potential public safety impacts
15 associated with natural gas transportation by pipeline have
16 been extensively evaluated in the past, based on decades of
17 operational history for hundreds of thousands of miles of
18 transmission pipelines. Therefore, the likelihood of
19 accidents can be calculated.

20 Secondly, we live in an area and State filled with
21 natural gas pipelines, very similar to the ones proposed for
22 this project. High pressure pipelines already run
23 throughout Ventura County, near homes, schools and
24 businesses. Many of you drove over these existing pipelines
25 on your way to this hearing.

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Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

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1 The new onshore pipelines for Cabrillo Port will
2 be constructed in the highest of standards available today
3 and run in mostly agricultural lands, away from downtown
4 Oxnard, where these pipelines were originally going to run.

5 The gas company has been in operation for over 140
6 years, owned and operating gas pipelines and delivering gas
7 to all of us.

8 Having reviewed relevant parts of the revised
9 draft, I'm encouraged by the mitigation --

10 MODERATOR GRANT: Your time's up.

11 MS. CUEVAS: Thank you.

12 (Applause.)

13 MODERATOR GRANT: Arnie Myers.

14 MR. MYERS: I just want to say, as a native of
15 Oxnard and --

16 MODERATOR GRANT: Bring your mike to yourself.

17 MR. MYERS: Okay. This one here, okay. I just
18 want to say that after the smoke clears and whatever
19 happens, I hope my grandkids and their grandkids can still
20 go walk on Oxnard beaches and get tar on their feet, and lay
21 in the sun with their girlfriends and live the life that
22 I've lived.

23 MODERATOR GRANT: Thank you.

24 Thomas McCormick.

25 MR. MC CORMICK: My name is Thomas McCormick, I'm

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1 a marine biologist, I work in the Ventura and Santa Barbara
2 County areas.

3 Just a couple of issues, some environmental
4 concern. One is ballast water. There will not be
5 significant ballast water brought in from Australia because
6 the tankers are coming in full, but there will be some
7 uptake of water here for ballast for the return trip. There
8 may be some consideration of filtration, sterilization of
9 that water, so that when it arrives at the other end and is
10 discharged, there's not an impact to the Australian marine
11 environment.

12 I do want to compliment BHP Billiton on their
13 ethioplankton review that they looked at, looking at
14 different depths for cooling, water intake for some of their
15 generators. It looked like they did quite an exhaustive
16 study of that, and there does not seem to be any significant
17 difference whether they take surface or deep waters for
18 that.

19 If there is found to be any difference in any of
20 the environmental impacts, you laying the pipeline, things
21 like that, you may consider out-of-kind mitigation, say for
22 safe coastal improvement of the marshes that have been
23 mentioned here. Also, perhaps, endangered species.

24 And finally, I would like to make a couple of
25 comments on the fact that BHP does appear to be responding

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The discussion of ballast water in Section 2.2.2.4 has been revised.
Section 1.3 contains information on environmental effects abroad.

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Thank you for the information. Section 4.7 and Appendix I have
been updated to reflect the status of the ongoing Section 7 ESA
consultation for threatened and endangered marine species. In
general, avoiding an impact is preferable but if not, in-kind
mitigation specific to the type of impact would be considered before
resorting to out-of-kind mitigation.

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1 to a given need.

2 Someone asked me when we were sitting here, well,
3 gee, do we really need a project? Well, we only produce 13
4 percent of our natural gas in California, the rest is all
5 imported. And the California Energy Commission says that
6 our consumption is going to grow steadily over the next ten
7 years, requiring almost 200 billion cubic feet by 2013.

8 We all use natural gas. Fifty percent of the gas
9 is used in electrical generation, where it is the cleanest
10 alternative to oil, coal, and nuclear fuel. Twenty percent
11 is used for industrial and commercial uses. Ten percent in
12 residential heating. And ten percent in residential house
13 heating, air heating, and ten percent of water heating. So
14 we're all users of natural gas.

15 And I suggest that we need both natural gas and to
16 look at the alternatives. I mean, if the people here that
17 are strongly opposed to it, I think that they should look at
18 themselves to start to create some of their own
19 alternatives.

20 Take advantage of the 30 percent Federal tax
21 initiatives, take advantage of the State tax initiatives to
22 put hot water heaters on your roofs, to put affordable tank
23 on your roofs, and be in charge of your own energy choices,
24 and let the market and let BHP Billiton proceed and provide
25 energy that we also need at the same time. Thank you very

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Thank you for the information.

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Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

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T003-46
Thank you for the information.

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1 much.

2 (Applause.)

3 MODERATOR GRANT: The next speaker will be Frank
4 Gavalin.

5 MR. GAVALLER: Gavaller.

6 MODERATOR GRANT: Gavaller, excuse me, I'm sorry.
7 Followed by Ed Ellis, Bernadette O-e-t-r-o-w-s-k-i, Andy
8 Carrasco, Alan Sanders, and Patricia Dowd.

9 MR. GAVALLER: My name is Frank Gavaller. I'm a
10 retiree from the Southern California Gas Company.

11 My main concern is with supply and demand. Some
12 may question the need for LNG. The term LNG has been
13 stigmatized to the point to where it has become very
14 misleading and very confusing to the average lay person.

15 Natural gas has been around for over a hundred
16 years. In the late forties, as we came out of the throes of
17 World War II, it was very apparent that additional sources
18 of natural gas were needed. The projected growth and
19 population in industry expected to greatly exceed the
20 supply.

21 The gas company, Southern Cal., in southern
22 counties, through their parent company, Pacific Lighting,
23 contracted to connect up to our eastern border with
24 Transwestern and El Paso natural gas companies, transporters
25 of big inch high-pressure gas lines, to meet the projected

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1 growth.

2 Without this imported gas, we would not have been
3 able to develop to where we are today.

4 Our suppliers are foreseeing great competition
5 from the other states, with their developing populations and
6 economies. Our over 85 percent importation of gas is going
7 to be severely challenged.

8 By developing new sources, we will be able to
9 continue to meet the needs of the growth that will occur.
10 The last 50 years has shown that this growth will continue
11 and that if the supply of natural gas is not increased, we
12 will be in dire straits.

13 Our needs, water and electrical supply, must also
14 be met. The problem of supply and demand will not go away.

15 I've been working through this eight and a half
16 pounds of report, the calculus equations throw me for a
17 loop. But I enjoy it very much and I find it extremely
18 informative. And people here may not realize the
19 curtailment programs that have gone on in the past to try to
20 meet the supply to the residential customers, who are the
21 first line of the gas company's concerns.

22 And safety was the other and I find that this
23 program addresses safety to a very high degree.

24 Thank you very much.

25 (Applause.)

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Continued

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Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

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MODERATOR GRANT: Ed Ellis.

MR. ELLIS: My name is Ed Ellis and I've lived in Oxnard for over 40 years. My wife and I raised nine children in this city and at present we have 21 grandchildren and 10 great-grandchildren. I tell you this because I don't want any of my family having to live with an experiment such as BHP Billiton is proposing.

There are significant impacts that will occur if this project goes forward, such as public safety, air quality, geologic hazards, et cetera.

The EIR, as written, leaves out pertinent information or ignores the obvious, such as BHP Billiton's questionable environmental and social conduct across four continents.

In the Philippines, their involvement in allegedly unlawful exploration for nickel in Fuada Bay. In Columbia, failure to address the cases of long-suffering communities, who were forcibly evicted for the expansion of the Cetahoin coal mine. In Sydney, Australia, their own country, unwillingness to agree to a one kilometer safety zone from rivers in its mining operation. In Indonesia, recent reports that BHP are going to fight for the right to mine on Gag Island, in Indonesia, despite an Indonesian Constitutional court ruling that confirmed the danger and negative impacts of mining in the projected areas.

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The lead agencies directed preparation of the Independent Risk Assessment (IRA), and the U.S. Department of Energy's Sandia National Laboratories independently reviewed it, as discussed in Section 4.2 and Appendix C. Section 4.2.7.6 and the IRA (Appendix C1) discuss the models and assumptions used and the verification process. Sandia National Laboratories (Appendix C2) concluded that the models used were appropriate and produced valid results.

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.6.1.3 contains revised information on Project emissions and proposed control measures. Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures. Section 4.11 contains information on seismic and geologic hazards. Appendices J1 through J4 contain additional evaluations of seismic hazards. The EIS/EIR identifies potential adverse environmental effects of the proposed Project. The mitigation measures identified in Chapter 6 are designed to minimize or avoid potential environmental impacts from the construction or operation of the proposed Project. In order to receive a license from the Maritime Administration and a lease from the California State Lands Commission, the Applicant must agree to implement the mitigation measures identified in the EIS/EIR and any other conditions that may be specified in the license and/or lease.

The EIS/EIR identifies potential adverse environmental effects of the proposed Project. The mitigation measures identified in Chapter 6 are designed to minimize or avoid potential environmental impacts from the construction or operation of the proposed Project. In order to receive a license from the Maritime Administration and a lease from the California State Lands Commission, the Applicant must agree to implement the mitigation measures identified in the EIS/EIR and any other conditions that may be specified in the license and/or lease. The Administrator of MARAD under the authority of the Deepwater Port Act, the California State Lands Commission, and the Governor of California have to balance the benefits of the Project against its unavoidable environmental risks. In accordance with section 15093 of the State CEQA Guidelines, the CSLC would have to make a Statement of Overriding Considerations addressing Class I impacts prior to approval of the Project.

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The Applicant is required to adhere to all applicable Federal, State, and local laws, regulations, and permit requirements in the

execution of all phases of the Project. Section 4.2.6 states, "The environmental and occupational safety record for the Applicant's worldwide operations, including, for example, mining ventures overseas, was not considered in evaluating potential public safety concerns associated with this Project because such operations are not directly comparable to the processes in the proposed Project." The conclusions in the EIS/EIR are based on the analyses of potential environmental impacts of the proposed Project and the implementation assumptions stated in Section 4.1.7. However, the Applicant's safety and environmental record will be taken into account by decision-makers when they consider the proposed Project.

1 And just this morning I read the paper that BHP
 2 Billiton, just hours before this meeting, announced plans
 3 that could significantly reduce the pollution connected with
 4 this proposal.

5 This is a pattern BHP Billiton has followed all
 6 during this process. Frankly, I do not believe BHP
 7 Billiton's word can be trusted.

8 Somewhere in here I'll find this. Okay. Before
 9 we proceed any further with this project, we need an
 10 evidentiary hearing so that all parties are under oath. We
 11 need this hearing so that citizens, who will have to live
 12 with its dangers and environmental shortcomings, will at
 13 least know the truth about the first time experiment off our
 14 shores. Thank you.

15 (Applause.)

16 MODERATOR GRANT: Bernadette Ostrowski.

17 MS. OSTROWSKI: Good afternoon. My name is
 18 Bernadette Ostrowski, I've lived in Oxnard for 30 years. I
 19 have children, grandchildren, and great-grandchildren who
 20 live in Oxnard. And I also want to make sure that the
 21 environment is safe for them.

22 One of the things I've heard, a lot of different
 23 aspects of the LNG. But nobody has talked about the cost.
 24 The EIR has not addressed this very much. The cost of
 25 having the LNG come in, they keep saying it's going to be

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Section 1.2.1 contains information on the USCG and State formal hearings.

Following publication of this Final EIS/EIR, MARAD, the USCG, and the CSLC will serve public notice and hold final hearings. MARAD and the USCG will hold a final DWPA license hearing in accordance with 33 CFR 148.222. After the final license hearing is concluded by MARAD and the USCG, the Commandant (CG-3PSO), in coordination with the Administrator of MARAD, will consider any requests for a formal hearing as specified in 33 CFR 148.228. The CSLC will hold a hearing to certify the EIR and make the decision whether to grant a lease.

As discussed in Section 1.2.1, the California Energy Commission (CEC) and California Public Utilities Commission (CPUC) must "carry out their respective energy-related duties and responsibilities based upon information and analyses contained in a biennial integrated energy policy report adopted by the CEC." Section 1.2.1 also describes the public process that is used to develop the Integrated Energy Policy Reports to ensure that California's energy-related interests and needs are met.

Section 1.5 contains information on opportunities for public comment. After the MARAD final license hearing, the public will have 45 days to comment on the Final EIS/EIR and the license application. The Federal and State agencies will have an additional 45 days to provide comments to the MARAD Administrator. The Administrator must issue the Record of Decision within 90 days after the final license hearing. The CSLC will hold a hearing to certify the EIR and make the decision whether to grant a lease. The California Coastal Commission will also hold a hearing. Comments received will be evaluated before any final decision is made regarding the proposed Project.

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As discussed in Section 1.2.5, the proposed Project is an investment by BHPB, a private firm, without any funding by public sources. SoCalGas would purchase the gas from BHPB and would deliver it as regulated by the California Public Utilities Commission. Section 3.4.1 contains general information on natural gas costs.

Section 4.2.5 discusses the Applicant's insurance coverage and cost recovery for incidents. Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

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1 cheaper here. My questions are how can it be cheaper for
2 local gas when you have to transport it all the way from
3 Australia, and then the ships going back to Australia.
4 Again, they go back empty.

5 They also are going to be building a terminal,
6 they have to have insurance. They freeze the gas, and then
7 they have regasify it, and that costs money. So it's money,
8 money, money, money and nobody seems to address that.

9 They're saying it's going to be cheaper than the
10 gas that we have in here, now. It's natural gas. And the
11 dangers of where they're regasifying the gas is tremendous.
12 So when we hear about, oh, it's going to be so good for the
13 citizens, I can't understand it because nobody will give us
14 any kind of accounting, and accounting is very important.
15 You have to know what the total expense is and once the
16 money comes in, and the company is not going to be generous
17 and give it to us simply without profit. Profit is a big
18 question here. Thank you.

19 (Applause.)

20 MODERATOR GRANT: Andy Carrasco.

21 MR. CARRASCO: Good afternoon, my name is Andy
22 Carrasco, I'm a Public Affairs Manager with the Southern
23 California Gas Company.

24 The Southern California Gas Company supports
25 bringing new and diverse supplies of natural gas, including

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Continued

T003-52

Thank you for the information.

T003-52

51

1 liquified natural gas, into our region, because we believe
2 more supply sources would benefit all of our customers.

3 While we support bringing in additional gas
4 supplies, the Southern California Gas Company remains
5 neutral on all of the LNG projects proposed in the State.

6 We believe it is up to the local communities and
7 appropriate regulatory agencies to decide if and where LNG
8 facilities should be sited and what mitigation measures will
9 be required for approved facilities.

10 We believe new supply sources will increase the
11 reliability of natural gas in Southern California and help
12 to reduce prices.

13 A study by Cambridge Energy Research Associates, a
14 leading international consulting firm that specializes in
15 energy issues, estimated that the total savings in gas costs
16 from bringing LNG into the West Coast will be at least
17 several hundred million dollars a year and could be as much
18 as a billion dollars a year.

19 Natural gas, from this or any other site built in
20 Southern California, will be fed into our natural gas
21 pipeline system. Safety is our priority. As with all of
22 our facilities, these new facilities will meet or exceed all
23 Federal and State safety standards for design, construction,
24 operation and maintenance.

25 We design and build our pipelines and other

T003-52
Continued

1 facilities very conservatively, and we conduct rigid
2 inspections and testing before any line is put into service.

3 We take a number of steps, including regular
4 leakage surveys and intensive inspections to check the
5 condition of operating pipelines. When we recognize a
6 potential problem, we take steps to prevent it before
7 becoming an actual problem.

8 Southern California Gas Company has been serving
9 the region for over 140 years. In all those years, we have
10 maintained a strong, safe record. We will work hard to
11 maintain not only our safety record, but the trust and
12 confidence of our customers and the communities we serve.
13 Thank you.

14 (Applause.)

15 MODERATOR GRANT: Alan Sanders.

16 MR. SANDERS: Good afternoon, esteemed Panelists.
17 My name is Alan Sanders, I'm here today representing the
18 Sierra Club.

19 We want to address, specifically, the revision of
20 the EIR. I spoke to you in this room a year ago, where I
21 rendered an opinion that the document that was provided was
22 not adequate. And I'm happy that in the end you concurred
23 with the opinion we expressed.

24 You heard a number of representatives from
25 Environmental Defense Center, last evening, detailing their

1 opinions about shortcomings in the revised documents. You
2 are also receiving opinions from the City of Oxnard.

3 The Sierra Club supports both of those opinions
4 and, even more, we would like to say that the specific areas
5 that we addressed in our written comments for the Draft EIR
6 continue to be short of what is necessary to insure
7 compliance with the California Environmental Quality Act.

8 And specifically, and most importantly, the
9 failure to address viable alternatives is a violation of
10 CEQA. Nor is there sufficient analysis and cumulative
11 impacts, growth-inducing impacts in the specific areas that
12 we commented on previously.

13 So with those failures, once again, my message has
14 to be that this document is not sufficient to comply with
15 State law on adequacy for an environmental review. You need
16 to go back, spend more time. I know you did a lot of work
17 remodeling some of the safety information, but the same
18 attention was not paid to areas like aesthetics, the
19 terrestrial and marine biological impacts. There needs to
20 be more work on air quality. There needs to be more work on
21 specifics like the impacts to the Channel Islands National
22 Marine Sanctuary, impacts to the viability of the Navy base
23 at Point Magu, which is a gigantic economic engine in our
24 community and has not been given adequate study.

25 So my recommendation is that more time is

T003-53

Sections 1.2, 3.1, 3.2, 3.3.1, 3.3.2, 3.3.3, contain information on the range of alternatives evaluated. Sections 3.3.1 and 3.3.2 address conservation and renewable energy sources, within the context of the California Energy Commission's 2005 Integrated Energy Report and other State and Federal energy reports, as alternatives to replace additional supplies of natural gas. Under NEPA and the CEQA, a reasonable range of alternatives must be considered. NEPA requires consideration of a "reasonable" number of alternatives. In determining the scope of alternatives, the emphasis is on "reasonable." "Reasonable" alternatives include those that are practical and feasible from the technical and economic standpoint and using common sense (CEQ 40 Questions; #2a). The information must be sufficient to enable reviewers and decision-makers to evaluate and compare alternatives.

T003-53

The State CEQA Guidelines section 15126.6(a) provides, in part, "An EIR shall describe a range of reasonable alternatives to the project, or to the location of the project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project, and evaluate the comparative merits of the alternatives. An EIR need not consider every conceivable alternative to a project."

T003-54

The EIS/EIR initially evaluated 18 locations for the FSRU as potential locations for the deepwater port. It built on previous California Coastal Commission studies that evaluated nearly 100 locations. Sections 3.3.7 and 3.3.9 discuss alternate locations and technologies that were considered.

T003-55

T003-54

Section 4.20 discusses cumulative impacts and Section 5.5 discusses growth-inducing impacts.

T003-56

T003-55

Sections 4.4, 4.6, 4.7, and 4.8 contain information on aesthetics, air quality, and terrestrial and marine biological resources.

T003-56

Section 4.4 and Appendix F contain information on visual resources, impacts, and mitigation. Appendix F describes how visibility from various distances was evaluated and provides additional simulations prepared for viewpoints at elevated sites along the Malibu coastline and inland areas.

Sections 4.7.4, 4.15.4, 4.16.4, and 4.18.4 describe potential impacts on the marine environment and proposed mitigation

measures to reduce those potential impacts.

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.6.1.3 contains revised information on Project emissions and proposed control measures. Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures.

The FSRU would be located outside of the current boundary of the Channel Islands National Marine Sanctuary (CINMS) and vessels associated with Cabrillo Port operations would not be expected to enter the CINMS. Sections 4.7.1.4, 4.13.2.2, and 4.20.1.5 discuss the potential expansion of the CINMS boundary, which is not proposed at this time. Section 4.3.4 contains information on potential impacts associated with the increased vessel traffic due to the proposed Project. The FSRU would be located 3.5 NM (3.54 miles) from the eastern boundary of the Point Mugu Sea Range (Pacific Missile Range). The USCG has consulted with the U.S. Navy and Impacts MT-5 and MT-6 in Section 4.3.4 address potential Project impacts on Naval and Point Mugu Sea Range operations.

1 necessary, otherwise the revised document will not be
 2 sufficient and will force us all to come full circle once
 3 again. Thank you.

4 (Applause.)

5 MODERATOR GRANT: Thank you. Is Patricia Dowd
 6 here? I called her name earlier, is Patricia Dowd here?

7 Okay, moving forward, the next set of speakers
 8 will be Don Abbott, William Doyle, John Andrews, Timothy
 9 Park, and Bob Horowitz. Would you please come to the front.

10 MR. ABBOTT: Am I up? Good afternoon. My name is
 11 Don Abbot and I've been a resident of Oxnard Shores since
 12 1987. I've been retired for nine years. I'm very active in
 13 the community and I'm on the past board of directors of our
 14 homeowner's association. I'm a volunteer Channel Islands
 15 National Park and Interpretive Guide. I'm also a volunteer
 16 at Ventura Medical Center, and a concerned citizen.

17 In our post-911 world I think, for me, speaking
 18 for myself, I think there are many people in this room who
 19 feel like we all do, anywhere, but not in my backyard. And
 20 I have to admit that, there's a lot of feeling about that
 21 here.

22 But my main concern is, truly, in our post-911
 23 world, I do not understand why the site has been chosen the
 24 way it is, with the prevailing wind patterns, in the event
 25 of an emergency, which I mean a terrorist act offshore, with

T003-57

Table 4.2-2 and Sections 4.2.6.1 and 4.2.7.6 contain information on the threat of terrorist attacks.

The lead agencies directed preparation of the Independent Risk Assessment (IRA, Appendix C1), and the U.S. Department of Energy's Sandia National Laboratories independently reviewed it, as discussed in Section 4.2 and Appendix C. The IRA evaluated the consequences of a potential vapor cloud (flash) fire, as discussed in Section 4.2.7.6. The IRA determined that the consequences of the worst credible accident involving a vapor cloud fire would be more than 5.7 NM from shore at the closest point, as summarized in Table 4.2-1.

Figure 2.1-2 depicts the maximum distance from the FSRU in any direction that could be affected in the event of an accident. The shape and direction of the affected area within the circle depicted in Figure 2.1-2 would depend on wind conditions (addressed in Section 4.1.8.5) and would be more like a cone than a circle, but would not reach the shoreline.

T003-57

T003-57 Continued

55

1 the prevailing wind patterns and the risk that would be
2 obvious to all people onshore.

3 We have so much property up in the Air Force
4 station north of us, and there's nobody up there, and I just
5 really don't understand why the location was chosen the way
6 it is.

7 My concern about the Environmental Impact Report
8 is thank God that the number one choice is at least south of
9 us, where I live particularly. I would hate to see the site
10 actually go up north of the second site which you have
11 chosen, which is an alternative site, because of the
12 prevailing wind patterns and, also, the coastal environment
13 is my concern as well.

14 So I just hope and I just want to enter into the
15 record that my concern, major concern is in our post-911
16 situation what would happen in the event of a major
17 terrorist attack. Where the current site is located, you're
18 awfully close to a lot of small airports, where a lot of
19 craft could be flown out of. And I think a site would be
20 much safer if it was actually north, around the -- what's
21 the name of that airport? Vandenberg, Vandenberg Airforce
22 Base. Thank you very much.

23 (Applause.)

24 MODERATOR GRANT: William Doyle.

25 MR. DOYLE: Good afternoon, thank you for the

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T003-57
Continued

T003-58

Chapter 3 discusses how alternatives were selected. Sites north of Point Conception, where Vandenberg AFB is located, are considered less feasible due to weather and wave conditions. See Section 3.3.6.3.

T003-58

T003-59

Sections 4.7.4 and 4.8.4 discuss the Project's potential impacts on the marine and terrestrial environments, as well as those of potential alternatives, such as the more upcoast site.

T003-60

Table 4.2-2 and Sections 4.2.6.1 and 4.2.7.6 contain information on the threat of terrorist attacks.

T003-59

Section 4.2.7.6 and the Independent Risk Assessment (Appendix C1) contain information on public safety impacts from various incidents at the FSRU. The analysis indicates that the maximum impact distance of an accident would involve a vapor cloud dispersion extending 6.3 nautical miles (7.3 miles) from the FSRU. The FSRU would be located approximately 12.01 nautical miles (13.83 miles) offshore; therefore, consequences of an accident involving LNG transport by carrier and storage on the FSRU would extend no closer than 5.7 nautical miles (6.5 miles) from the shoreline.

T003-60

T003-61

T003-61

Section 4.17.1.1 contains information on airport runways. Section 4.17.1.2 contains information on the two airports located near the proposed Center Road Pipeline. Section 4.17.3 contains a discussion of the reasons the Project would not adversely affect air traffic operations.

Table 4.2-2 identifies representative hazards and threats considered in the public safety analysis, including accidental or intentional collisions, such as a small aircraft or helicopter hitting the FSRU or a commercial airliner striking the FSRU. Chapter 3 discusses how alternatives were selected. Sites north of Point Conception, where Vandenberg AFB is located, are considered less feasible due to weather and wave conditions. See Section 3.3.6.3.

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed

Project.

T003-62

Thank you for the information.

56

1 opportunity for speaking. My name is William Doyle, I'm the
2 Deputy General Counsel for the Marine Engineers Beneficial
3 Association, AFL-CIO.

4 Basically, two points. First is that I've heard a
5 lot of testimony over the past couple of days with respect
6 to diesel engineering. We will be commenting on the record
7 with respect to the LNG international market, and what goes
8 on in the international LNG market is that most of the
9 ships, proven technology, abundance of the technology,
10 overwhelming majority of the ships that are sailing the
11 seas, and will be built, are based on steam technology.
12 Meaning that the propulsion system is operated by steam.

13 The LNG carriers carry cargo, which is liquified
14 natural gas. The liquified natural gas is carried at
15 liquid, minus 261 degrees Fahrenheit.

16 When the ambient temperature hits the tanks, the
17 gas starts to warm and turns it to a gaseous state. When it
18 gets to the gaseous state, it goes by pipelines to the
19 furnace.

20 When it gets to the furnace, what sits on top of
21 the furnace is a water drum. The water drum heats, turn to
22 steam, the steam then leaves the boiler, goes to the
23 turbines, those are steam turbines, not diesel. Steam is
24 clean.

25 My second point is that the FSRU construction.

T003-62

T003-62 Continued

57

1 The FSRU construction, itself, takes proposals from the
2 company in a deepwater port. They have to abide by
3 stringent CFR regulations.

4 While the technology that I've heard over the last
5 couple of days is unproven, that is not necessarily true.
6 It is a compilation of past mechanical equipment and put
7 into one unit, and that would be the floating storage and
8 regasification unit. The only difference between the
9 floating storage and regasification unit, the main
10 difference is that it does not have a propulsion system.

11 Finally, you have heard testimony from many people
12 from the Marine Engineers Beneficial Association, who are
13 merchant mariners and experts in the industry. We have not
14 been paid by BHP Billiton. We represent thousands of
15 working families in the United States and, in particular,
16 Southern California. Thank you.

17 (Applause.)

18 MODERATOR GRANT: John Andrews.

19 MR. ANDREWS: Good day. My name is John Andrews
20 and I am also not a representative of BHP.

21 The Revised EIR, titled "Aesthetics," documents
22 the anticipated eyesores which might manifest should this
23 project become a reality. In the EIR, the FSRU is but a dot
24 on the horizon on even the clearest of days.

25 The argument that the Cabrillo Port offshore

T003-62
Continued

T003-63

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T003-63

T003-63 Continued

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1 terminal would be aesthetically displeasing is, for intents
2 and purposes, moot. And in any event, insignificant when
3 comparing it to the health and financial needs of millions
4 of working families in California.

5 Please take into consideration those parties who
6 have deliberately frightened working families here, in
7 Oxnard, by disseminating disinformation solely for the sake
8 of keeping their multi-million dollar pristine views intact.

9 Per capita they, arguably, may be some of the
10 biggest consumers in the State. One might suppose they even
11 use natural gas.

12 To the voices who cry out for mandating energy
13 conservation, perhaps these folks could actually start
14 practicing what they preach and lead by example. Now is the
15 time for action, get 'er done.

16 (Applause.)

17 MODERATOR GRANT: Timothy Park.

18 MR. PARK: Good afternoon, ladies and gentlemen,
19 my name is Timothy Park. I represent a company called
20 TRANSYS, which stands for Transportation Safety Systems.

21 My primary concern is the safety of this project.
22 I've worked in the LNG industry for a large amount of years,
23 I consider myself an expert in the ocean carriage of LNG,
24 and I'm here to say that I do support this project. I
25 believe it can be done safely and it can be done

T003-63
Continued

T003-64

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T003-64

1 efficiently.

2 I've had my family on these ships, I've lived on
3 these ships, I've worked with these ships for a long time,
4 and if I couldn't bring my wife and daughter on these ships,
5 I would not be here, asking you to support this project.

6 I think it's a viable source for California's
7 energy needs, it's a viable source for the United States'
8 energy needs.

9 I don't live here, I live up in Seattle, but what
10 happens here affects me, in Seattle, and I'd very much like
11 to see this project go through.

12 The time is now, we can't wait for gas prices to
13 double or triple. I don't know about the folks in Malibu,
14 but I can't afford too many more hikes in energy prices. So
15 I do support this project. My company supports this
16 project. I'm familiar with the training that's involved
17 with these things, and I know how high and extensive that
18 training is. I think it can be done safely and I do hope
19 you support this project. Thank you very much.

20 (Applause.)

21 MODERATOR GRANT: The next speaker is Bob Harluch,
22 H-a-r-l-u-c-h. Is Bob Harluch in the house?

23 All right, following will be Ronald Jackson, Rudy
24 Blaw, Ben Moss, Michelle Hoffman, and Nancy Lindholm. If
25 you can come to the front, please?

60

1 MR. JACKSON: My name is Ronald Jackson. And if
 2 we're having a contest, I've been in Oxnard 59 years, and
 3 started working out at Point Magu in 1947. And after that I
 4 went into the frozen food industry.

5 I have a son that works for the American Bureau of
 6 Shipping, which inspects ships all over the world, it's our
 7 classification and inspection society, and I asked him about
 8 LNG, and this project. And he says, "Dad, they're probably
 9 not as safe as a field of lima beans, but they're very
 10 safe." And I would lend my wholehearted support to this
 11 operation as coming to Oxnard. And I'm sure there's going
 12 to be some drawbacks but, overall, I think it's an advantage
 13 and I support it wholeheartedly, thank you.

14 (Applause.)

15 MODERATOR GRANT: Rudy Blaw.

16 MR. BLAW: I'm Rudy Blaw and I live 800 feet from
 17 the beautiful beach in Oxnard. I am an Oxnard citizen and I
 18 own a home that is supplied by gas. We cook on gas, the
 19 electric heater runs from the gas. The water is from gas.
 20 And when I see the price of the gas as it goes -- right now,
 21 there's obviously a problem with supply and demand, the
 22 price is sky high, obviously, it's in favor of the demand.

23 And when I see these buses running downtown
 24 Oxnard, that's powered on LNG, do I feel bad about it or do
 25 I feel good about it, that they're powered by LNG. I feel

T003-65

Thank you for the information.

T003-66

Your statement is included in the public record and will be taken
 into account by decision-makers when they consider the proposed
 Project.

T003-67

Thank you for the information.

T003-65

T003-66

T003-67

T003-67 Continued

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1 good about it.

2 If you have any alternative as to where the LNG
3 sources come from, a very unstable source in the Middle
4 East. I know I, personally, had -- a few years ago, and he
5 was Air Force, and to stabilize a country where this
6 alternate source of energy, which is where the oil comes
7 from. Let's face it, it's a major supply of our energy is
8 from an unstable country.

9 If we have a choice of getting stable energy from
10 a stable country supplying our energy source, LNG, I would
11 say go for it. If we don't do nothing about it, there may
12 be some adjustments, but let's stop the political hog wash
13 and get this project on the road. Thank you very much.

14 (Applause.)

15 MODERATOR GRANT: Ben Moss.

16 MR. MOSS: My name is Ben Moss, I'm a longtime
17 resident of Oxnard. But I want to talk to you from a little
18 bit different perspective than what you've heard.

19 I retired last year as the GS-15 contracting
20 officer for the Navy, and I had the environmental projects,
21 as well as force protection. And I have to tell you, I had
22 to work on putting in place the contracts on defending the
23 pipelines leaving Iraq, and the Coast Guard worked with us,
24 and it was unbelievable.

25 And I have to tell you there were things that

T003-67
Continued

T003-68

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T003-69

Thank you for the information.

T003-68

T003-69

T003-69 Continued

62

1 never occurred to me. It never occurred to me that a few
 2 small boats coming from Iraq, lightly armed, could cause
 3 nearly a billion dollars worth of damage a month, let alone
 4 the casualties.

5 Also, the Coast Guard's been under-funded for
 6 years, and it's only been in the last three years that any
 7 money has really flowed into the Coast Guard.

8 And I guess my concerns are located by two major
 9 bases, which are on elevated security, with a small Coast
 10 Guard presence, it looks like an invitation, to me. And I
 11 have to tell you I never envisioned, having worked at the
 12 Pentagon, that a plane would hit the Pentagon, I never
 13 dreamed of that. I never dreamed of those small boats
 14 coming from Iran and attacking the oil terminal. It never
 15 occurred to me.

16 But now, when we're in a war, we're going to build
 17 a terminal and, remember, like you I've seen the reports,
 18 saying the things most vulnerable are those that are
 19 highlighted in the press. Those are also targets of
 20 opportunity.

21 And I remind you that we're talking only 200 miles
 22 from a country we do not control. Australia is a friend and
 23 I understand the President's desire to reward them for their
 24 participation, although limited, in the war in Iraq. But
 25 friends change quickly, just like New Zealand and the no-

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T003-69
Continued

T003-70

Table 4.2-2 and Sections 4.2.6.1 and 4.2.7.6 contain information on the threat of terrorist attacks.

Section 4.2.7.6 and the Independent Risk Assessment (Appendix C1) contain information on public safety impacts from various incidents at the FSRU. The analysis indicates that the maximum impact distance of an accident would involve a vapor cloud dispersion extending 6.3 nautical miles (7.3 miles) from the FSRU. The FSRU would be located approximately 12.01 nautical miles (13.83 miles) offshore; therefore, consequences of an accident involving LNG transport by carrier and storage on the FSRU would extend no closer than 5.7 nautical miles (6.5 miles) from the shoreline.

T003-70

T003-71

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T003-71

T003-71 Continued

63

1 nuclear program.

2 So I would ask you to please look at this. Now,
3 as far as the State, I have to tell you, having worked with
4 the State on environmental programs, I know how tough you
5 are. But I have to tell you, as a senior Federal
6 contracting officer, the decision's really already been
7 made. The President of the United States has decided he is
8 not bound by local government authority, and he's announced
9 it.

10 Now, you're not going to have other feds come up
11 and tell you what I'm telling you, I'm retired, I've left it
12 to other folks to carry on. But I'll tell you, I took force
13 protection seriously when I did it in our ports, when I did
14 it in Iraq, and when I did it in the Olympics.

15 MODERATOR GRANT: Your time is up, sir.

16 MR. MOSS: And I read the report, and it's short.

17 Thank you.

18 (Applause.)

19 MODERATOR GRANT: Is Michelle Hoffman here?

20 MS. HOFFMAN: I'm Michelle Hoffman, I live in Port
21 Hueneme.

22 June Harris covered the lack of consideration for
23 the alternatives very well, and the Savior Roads Design
24 Group went over that. But there was one blaring part that
25 really stands out, and that's 3.3.3, "retrofitting existing

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T003-71
Continued

T003-72

Sections 1.2.2, 1.2.3, 1.2.4, 1.2.5, and 3.3 contain information on the adequacy of alternatives.

Under NEPA and the CEQA, a reasonable range of alternatives must be considered to permit a reasoned choice of alternatives with respect to their environmental aspects. Information on the alternatives has been added in several sections. However, NEPA and the CEQA do not dictate an amount of information to be provided but rather prescribe a level of treatment, which may in turn require varying amounts of information to enable reviewers and decision-makers to evaluate and compare alternatives.

As discussed in Sections 3.3.1 and 3.3.2, energy conservation and use of renewable energy sources do not alone meet the projected energy needs of California, as determined by the California Energy Commission. Section 3.3.3 discusses why retrofitting existing power plants with more efficient natural gas turbines is not a feasible alternative to the proposed Project.

The selection of the No Action Alternative by decision-makers (including MARAD and the Governor of California), for which they have full discretion, would not fulfill the purpose and need of the Project to supply natural gas to California consumers but would maintain, for an indeterminate time, the status quo of California's and the nation's existing and projected energy supply mix, including conservation and renewable energy sources.

T003-72

T003-72 Continued

64

1 power plants. The installation of more efficient natural
2 gas-fired turbines at existing natural gas-fired electricity
3 generation plants was considered, but not evaluated, as an
4 alternative for further analysis in this report for several
5 reasons."

6 The one that stands out is the proposed turbine
7 repowering would occur at locations and power plants over
8 which MARAD and the CSLC have no jurisdiction and that the
9 applicant for the proposed Cabrillo Port project does not
10 own, control, or have the experience and expertise to
11 operate.

12 What does the ability to retrofit have to do with
13 who owns or has control over the power plants? Couldn't the
14 experience and expertise to operate the retrofitted plants
15 be obtained right here, in California?

16 In the 20th Century homes went from being heated
17 with wood and coal to gas and electricity. Lighting, from
18 candles and lanterns, to electricity delivered through
19 extensive networks. And we went from water wells and
20 outhouses to indoor plumbing. Horse and buggies go
21 automobiles. We are the wealthiest, most advanced country
22 in the world. Who says we cannot make alternative sources
23 of energy work? It's time to move our technology into the
24 21st Century.

25 The sun, at 93 million miles from our mother earth

T003-72
Continued

T003-73

Sections 3.3.1 and 3.3.2 address conservation and renewable energy sources, within the context of the California Energy Commission's 2005 Integrated Energy Report and other State and Federal energy reports, as alternatives to replace additional supplies of natural gas.

T003-73

T003-73 Continued

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1 offers energy that is reliable and secure from terrorism.
2 And this project, when you don't consider the alternatives,
3 is an offense to American ingenuity.

4 (Applause.)

5 MODERATOR GRANT: Nancy Lindholm.

6 MS. LINDHOLM: Good afternoon, my name is Nancy
7 Lindholm, I'm the President and CEO of the Oxnard Chamber of
8 Commerce.

9 The Oxnard Chamber of Commerce supports the BHP
10 Billiton Cabrillo Port project and believes the Revised
11 Draft EIR adequately addresses safety, air quality, and the
12 need for additional energy supplies.

13 In studying the project and EIR, the Chamber
14 formulated the following conclusions. First, the ability of
15 reliable energy sources is critical to the continued success
16 of the business community locally, as well as throughout the
17 State of California.

18 Two, energy costs represented increasing expense
19 in the business community, particularly agriculture,
20 manufacturing, and other energy reliant companies.

21 Three, while additional efficiencies and the use
22 of renewable energy sources are laudable, long-term
23 solutions to our dependence on fossil fuels, the technology
24 to apply these solutions to our needs, at this point, are
25 not sufficient.

T003-73
Continued

T003-74
Thank you for the information.

T003-74

T003-74 Continued

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1 Four, California should make every effort to
2 insure reliable supplies of needed energy, including
3 importation of LNG.

4 Five, since energy needs are a regional concern,
5 and the siting of an LNG importation facility will have a
6 local impact, every effort should be made to eliminate any
7 negative impact on a local community.

8 And, finally, to the extent the importation
9 infrastructure is located in or adjacent to Oxnard, it
10 should be designed to minimize any adverse impact on the
11 environment, planned development, and growth opportunities
12 of the city.

13 The BHP Billiton Cabrillo Port project is a viable
14 option to help address California's energy needs and,
15 therefore, the Oxnard Chamber of Commerce supports it.

16 Thank you for the opportunity to comment today.
17 (Applause.)

18 MODERATOR GRANT: Thank you. At this moment,
19 ladies and gentlemen, we're going to take a brief, five-
20 minute break, and everyone can stretch their legs, and then
21 we'll come right back and pick up on the public comments.

22 If you'd like to know where you are in the order
23 of things, the ladies at the front can help you with that.
24 thank you.

25 (Off the record.)

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T003-74
Continued

T003-75

Section 6.1 summarizes impacts and mitigation. Section 4.13.2.2 discusses consistency with regional and local plans and the franchise agreement the City of Oxnard has with SoCalGas.

T003-76

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T003-75

T003-76

1 MODERATOR GRANT: We're here to receive your
2 comments on the Environmental Impact Report for the Cabrillo
3 LNG plant, proposed plant.

4 You have three minutes to speak. When you have
5 one minute left, you'll see the little piece of paper I put
6 in front of you, and then I'll let you know when your time
7 is up.

8 Once you have spoken this afternoon, your
9 testimony is on the record and you will not be required to
10 speak this evening, at our later meeting, and it will allow
11 an opportunity for people, who have not been able to
12 participate, to participate.

13 And we're going to make a brief announcement in
14 Spanish.

15 MS. CAMPBELL: (Spanish announcement.)

16 MODERATOR GRANT: And if you want to speak again,
17 the yellow card, please complete the yellow card at the
18 registration desk.

19 Our next set of speakers, Alan Dirrim, Diane
20 Safford, Nancy Carroll, and James Doyle. If you could come
21 up and have one of the seats in the front, so you could be
22 prepared to speak when it's your turn.

23 And again, our first speaker is Alan Dirrim.

24 MR. DIRRIM: Yes, my name is Alan Dirrim, I hope
25 to be an informed resident of Oxnard, and I won't go into

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1 all the details about that.

2 First of all, I have some empathy for the job you
3 have, trying to reconcile the energy problems that we face
4 with local concerns, and I wouldn't claim to be an expert on
5 that.

6 But I do think we need to look at a national
7 policy environment with respect to this, to a certain
8 extent, and we talk and consider this whole thing. What
9 kind of an energy policy that we have, and how does this fit
10 into it, if our policy just seeds in our patch and hold it
11 militarily, that creates some concerns.

12 And the Legislation and Congress has passed on
13 energy is not that much more satisfactory in recent terms,
14 in terms of the long pull.

15 So I hope, as we look at this, that the long-term
16 aspects of this will come into play and that we will not
17 simply be doing something that's going to be a patch that
18 delays consideration of basic things, and the ongoing long-
19 term is extremely critical.

20 Another policy issue related in some ways to what
21 I've already said, is that if we're going to be concerned
22 with foreign policy that is going to generate an extreme
23 danger of attack, creating a vulnerable target next to a
24 major population center, is not in our security of interest.
25 And with that, I'll end.

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T003-77

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

Sections 1.2.2, 1.2.3, 1.2.4, 3.3.1, 3.3.2, and 4.10.1.3 contain information on the need for natural gas, the role and status of energy conservation and renewable energy sources, and the California Energy Action Plan.

T003-78

Table 4.2-2 and Sections 4.2.6.1 and 4.2.7.6 contain information on the threat of terrorist attacks.

T003-77

Section 4.2.7.6 and the Independent Risk Assessment (Appendix C1) contain information on public safety impacts from various incidents at the FSRU. The analysis indicates that the maximum impact distance of an accident would involve a vapor cloud dispersion extending 6.3 nautical miles (7.3 miles) from the FSRU. The FSRU would be located approximately 12.01 nautical miles (13.83 miles) offshore; therefore, consequences of an accident involving LNG transport by carrier and storage on the FSRU would extend no closer than 5.7 nautical miles (6.5 miles) from the shoreline.

T003-78

(Applause.)

MODERATOR GRANT: Diane Stafford? Is Diane

Stafford in the room?

Nancy J. Carroll.

MS. CARROLL: Good afternoon, my name is Nancy

Carroll, I'm Superintendent for the Ocean View School

District.

My comments are in response to Section 4.13-15 and 4.13-16, and the proposed pipeline route for the Center Road pipeline location indicated in figure 2.4-1.

The Draft EIR incorrectly states that "although several potential locations for new or expanded schools have been evaluated, none has been proposed to date."

The Draft EIR Impact Report for the Ormond Beach specific plan project was announced on September 12th, 2005 and is in process. That report includes two planning subareas within an approximately 920 acre study area. The northern subarea consists of approximately 323 acres of the project area that lies north of Hueneme Road. It is proposed to accommodate a mix of uses, including up to 1,283 residential drilling units of various types and densities, and elementary school, a high school, a community park, et cetera, et cetera.

Section 4.13-16 further states that the construction for the proposed Ocean View School within the

T003-79

Thank you for the information. Section 4.13.1.3 contains revised text on land uses along the Center Road Pipeline, including existing and potential future school sites.

On February 27, 2004, the Coast Guard, the Maritime Administration (MARAD), and the California State Lands Commission (CSLC) issued a notice of intent and notice of preparation (NOI/NOP) for preparation of a joint environmental impact statement/environmental impact report (EIS/EIR) for the proposed Cabrillo Port Liquefied Natural Gas Deepwater Port. The City of Oxnard issued an NOP for an EIR for the Ormond Beach Specific Plan on September 12, 2005, for development of a 920-acre community that extends from Edison Road on the west to Olds and Arnold Road on the east, West Pleasant Valley Drive on the North and the Pacific Ocean to the South. A Draft EIR for the Ormond Beach Specific Plan Area has not been issued and the specific plan has not yet been approved.

T003-79

T003-79 Continued

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1 Hearthside Homes planned subdivision has "not been funded or
2 programmed yet."

3 Ocean View School District and Hearthside Homes
4 are currently in the mitigation process, developing the
5 final agreement for the financing of the school to be built.

6 BHP Billiton was informed of this status on
7 numerous occasions. Additionally, no less than three
8 meetings were held between various superintendents
9 representing school districts through Ventura County,
10 Mr. George Shaw, California Department of Education, field
11 representative for the School Facilities Planning Division,
12 and Mr. Steve Mayhan, consultant for BHP Billiton.

13 The dates were on December 21st, 2004, February
14 18th, 2005, and March 9th, 2005. The proposed locations of
15 the pipeline and routes were discussed at length, including
16 the affects of constructing a 36-inch diameter natural gas
17 pipeline that will operate at a pressure of 1,200 pounds per
18 square inch, routing the pipeline adjacent or near existing
19 school sites and proposed school sites was, and remains, a
20 great concern.

21 MODERATOR GRANT: Your time is up.

22 MS. CARROLL: I will submit this in writing for
23 the analysis and thank you.

24 (Applause.)

25 MODERATOR GRANT: James Doyle.

T003-79
Continued

T003-80

See 2006 Comment Letter L205 for Ms. Carroll's written comments
and responses to the comments.

T003-80

T003-81
Thank you for the information.

71

1 Mr. Doyle: Good afternoon, my name's James Doyle.
2 I have spent a large portion of my life on the ocean and
3 enough of my life to know that the 14 miles proposed, that
4 distance would mitigate a danger, any danger presented by
5 the port terminal, itself.

6 Most of the infrastructure being in place, I see
7 no practical alternative. Many people have spoken to the
8 experimental nature of this project. However, I would beg
9 to differ and suggest that any energy alternatives that
10 anyone else have suggested are much more experimental than
11 anything proposed by BHP.

12 I've seen in the length of time that I've been
13 gone from Port Hueneme, Oxnard, which was about four and a
14 half months, the amount of building that has taken place.
15 And I'd venture to guess that every single one of those
16 buildings, houses, apartments, and et cetera has a gas meter
17 attached to it.

18 There are people that suggest that there are other
19 alternatives, routing pipelines, for instance, putting LNG
20 terminals in Mexico, and running it up from there. Perhaps
21 we can run pipelines through Yellowstone National Park from
22 Canada.

23 I think that putting an LNG terminal in this area
24 is not anything that is not a great sacrifice for anyone.
25 It's not a great sacrifice to me. More studies just mean an

T003-81

T003-81 Continued

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1 attempt to block this from every occurring in the first
2 place.

3 I, personally, am not a "nimby," if you want to
4 put it in my backyard, I'm perfectly happy with the idea.

5 MODERATOR GRANT: Thank you.

6 Our next group of speakers, Jerome Hopkins, George
7 Mixmik, Norman Eagle, and Jeff Weis.

8 Mr. Hopkins.

9 MR. HOPKINS: Good afternoon, I'm Jerome Hopkins.
10 I've lived in Oxnard since 1958, I guess I better get that.

11 What nobody seems to -- what's not seemed to occur to
12 anybody is whatever happens in an accident out there,
13 whatever happens, a vapor cloud or whatever, it's still
14 going to cut off the supply of natural gas. The natural gas
15 coming into our port will just cease altogether and who
16 knows how long it will be before it starts up again.

17 However, my main request here is quite neutral. A
18 previous speaker, Ed Ellis, a while ago, mentioned
19 evidentiary hearings. Well, I'm concerned that we're far
20 enough along in the process without having to have an
21 official, under oath, evidentiary hearing on the necessity,
22 or lack thereof, for importing liquid natural gas.

23 Such a hearing would be held, presumably, by the
24 California Public Utilities Commission or by any number of
25 legislative committees.

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T003-81
Continued

T003-82

T003-82

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T003-83

The lead agencies directed the preparation of the Independent Risk Assessment (IRA), and the U.S. Department of Energy's Sandia National Laboratories independently reviewed it. See Section 4.2, Appendix C1, and Appendix C2 for additional information on third-party verification of the IRA.

T003-84

Section 1.2.1 contains information on the USCG and State formal hearings. Section 1.1.1 contains information on the purpose and need for the DWPA.

T003-83

Following publication of this Final EIS/EIR, MARAD, the USCG, and the CSLC will serve public notice and hold final hearings. MARAD and the USCG will hold at least one final DWPA license hearing in accordance with 33 CFR 148.222. After the final license hearing is concluded by MARAD and the USCG, the Commandant (CG-3PSO), in coordination with the Administrator of MARAD, will consider any requests for a formal hearing as specified in 33 CFR 148.228. The CSLC will hold one or more hearings to certify the EIR and make the decision whether to grant a lease.

T003-84

As discussed in Section 1.2.1, the California Energy Commission (CEC) and California Public Utilities Commission (CPUC) must "carry out their respective energy-related duties based upon information and analyses contained in a biennial integrated energy policy report adopted by the CEC." Section 1.2.1 also describes the public process that is used to develop the Integrated Energy Policy Reports to ensure that California's energy-related interests and needs are met.

Section 1.5 contains information on opportunities for public comment. After the MARAD final license hearing, the public will have 45 days to comment on the Final EIS/EIR and the license application. The Federal and State agencies will have an additional 45 days to provide comments to the MARAD Administrator. The Administrator must issue the Record of Decision within 90 days after the final license hearing. The CSLC will hold one or more hearings to certify the EIR and make the decision whether to grant

a lease. The California Coastal Commission will also hold a hearing. Comments received will be evaluated before any final decision is made regarding the proposed Project.

T003-84 Continued

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1 This is a neutral request. One would think that
2 both sides would be anxious to have such a hearing to
3 present their case, for or against, and nothing's been done.

4 We can't let somebody win the ball game, who
5 refuses to play it. So I'd like to intercede, an
6 evidentiary hearing scheduled officially, under oath, or
7 know the reason why one has not been scheduled. I thank
8 you.

9 (Applause.)

10 MODERATOR GRANT: Mr. Miznik.

11 MR. MIZNIK: Hi, my name's George Miznik, I live
12 over at the Oxnard Shores, where your alternate plant was
13 scheduled, versus the Cabrillo.

14 In fact, I wish you'd put it over there because
15 the power plant is so ugly that anything our Aussie friends
16 can install is going to be an upgrade. So I don't see it as
17 a major problem either way, we're not going to see much in
18 the way of aesthetic degradation in either location.

19 There are a lot of things about our Aussie
20 friends, I just have to pose a question to everyone. Where
21 do you want your energy source coming from, the people who
22 brought us 911, or some of our friends, especially our
23 Australian friends, who have been with us through many
24 situations and wars?

25 When we get into environmental, I know that this

T003-84
Continued

T003-85

Thank you for the information.

T003-85

T003-85 Continued

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1 is a big issue, people think if they build this there will
 2 be birds covered with oil, the shores destroyed. The
 3 difference between oil and liquified natural gas is that
 4 when you spill liquified natural gas it evaporates, it's
 5 gone, it's not there anymore. It's a much safer system all
 6 around from the environmental stand point.

7 And those of you who wake up in the middle of the
 8 night, in a cold sweat, worrying about global warming, think
 9 of this, if you look at natural gas as a fuel, it is
 10 producing one-third the carbon dioxide per unit of energy as
 11 coal, and about one-half that of petroleum.

12 People keep talking about looking at alternate
 13 forms of energy and I propose to you, fine. But right now,
 14 natural gas is the alternate form of energy. Unless you
 15 want high sulfur coal being brought into this county and
 16 burned in our plants, and suffering what all the people in
 17 the midwest are going through right now, you want natural
 18 gas. And I support the program, thank you.

19 MODERATOR GRANT: Marcello DeAndrade, are you in
 20 the room?

21 Norman Eagle.

22 MR. EAGLE: Norman Eagle, Oxnard. Section 6.0 of
 23 the Executive Summary of the most recent EIR reveals that
 24 despite the mitigation measures being proposed to deal with
 25 the impacts of the Billiton project, "a number of adverse

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Continued

T003-86

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T003-87

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T003-86

T003-87

T003-87 Continued

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1 effects would remain significant and unavoidable." It then
 2 goes on to list some of these effects on public safety,
 3 marine biology, air and water quality, noise, et cetera.
 4 Very significant in this is that in the two paragraphs which
 5 summarize the categories of impact the phrase, "significant
 6 and unavoidable" appears time and time again, as if to warn
 7 the public that there are very concrete threats and risks
 8 involved.

9 When someone tells me that something is
 10 unavoidable, I must assume that that something is definitely
 11 going to happen. So there are clear "significant and
 12 unavoidable threats and risks" involved in this project.

13 How are these risks shared? Is there some kind of
 14 equitable distribution of risk between the corporate
 15 interest and the community interest? There is not. The
 16 community is being asked to assume one hundred percent of
 17 the risk, while Billiton's only uncertainty is about whether
 18 they will make 200 or 300 million dollars profit for the
 19 year. This is unfair, unjust, and immoral.

20 Let me give you an example of the kind of risks
 21 parts of this community are being asked to assume. About a
 22 year ago my wife and I followed the proposed pipeline to
 23 Port Hueneme to the pumping station in Camarillo. At the
 24 point where the line is about to cross PCH, there is a small
 25 mobile community. Also, at this very same point there is a

T003-87
Continued

T003-88

Sections 4.19.1 and 4.19.4 contain information on Project impacts to minority and low-income communities.

Sections 4.2.4, 4.2.7.3 and 4.2.8.2 identify agencies with the authority and responsibility for safety standards, design reviews, and compliance inspections. Section 2.1 and Appendix C3-2 identify applicable safety standards. Section 4.2.8.4 contains information on the estimated risk of Project pipeline incidents. Industrial land uses near pipelines would not be restricted with the implementation of these regulations.

T003-88

T003-88 Continued

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1 power pile-on carrying five high voltage transmissions lines
2 overhead. I've never seen that referred to in any of the
3 reports.

4 Now, here we are living in a moderately high-risk
5 earthquake zone. Imagine what could happen at this mobile
6 home location in case of a quake in the area. A crack in
7 the pipeline could release highly inflammable gas and a
8 spark from loose or broken wires could lead to the instance
9 incineration of the site and the people living there.

10 I think you would agree this is an intolerable
11 risk.

12 The EIR states, again quote, "significant and
13 unavoidable impacts will occur if this project goes
14 forward." I agree.

15 We do not need further development of a global
16 warming, hydrocarbon fuels. We need to concentrate on
17 conservation and the development of renewable,
18 nonhydrocarbon energy resources.

19 Raising our automobile MPG standards by just five
20 or six miles per gallon, in this country, would save the
21 equivalent of hundreds of shiploads of LNG.

22 The Billiton project is an impediment to this
23 essential goal and should be rejected.

24 (Applause.)

25 MODERATOR GRANT: Jeff Weis. Is Jeff Weis in the

T003-88
Continued

T003-89

T003-89

Section 4.11 contains information on seismic and geologic hazards and mitigation that specifically addresses the potential damage to proposed pipelines from a direct rupture along fault lines. Appendices J1 through J4 contain additional evaluations of seismic hazards.

As addressed under Impact PS-5 in Section 4.2.8.4, measures would reduce potential seismic impacts in this area, but would not eliminate them entirely. Section 4.2.8 contains information on safety requirements for pipelines. Section 4.2.8.4 contains information on the estimated risk of Project pipeline incidents and potential impacts and mitigation measures concerning public safety risks of pipelines.

T003-90

Sections 1.2.2, 1.2.3, 1.2.4, 3.3.1, 3.3.2, and 4.10.1.3 contain information on the need for natural gas, the role and status of energy conservation and renewable energy sources, and the California Energy Action Plan. Sections 3.3.1 and 3.3.2 address conservation and renewable energy sources, within the context of the California Energy Commission's 2005 Integrated Energy Report and other State and Federal energy reports, as alternatives to the Project.

T003-90

T003-91

Thank you for the information.

T003-92

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T003-91

T003-92

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1 room?

2 All right, the next grouping, Paul Calcatera, Kira
3 Schmidt, Casey Walker, James Sovereign, and Edle Bakke.

4 Yes, could you state your name, please?

5 MR. CALCATERA: My name is Paul Calcatera. I've
6 lived in Port Hueneme and Oxnard area for 35 years. I'm not
7 from Malibu. Mr. Hank Lacayo, who's a local resident, made
8 a statement to you folks that the majority of the people
9 here were rich folks from Malibu, that lives on the beach.
10 Well, I live in a small, 1,200-foot condominium, and I'm
11 living off a small VA disability and my county pay, and
12 that's what most of the people who are against this project,
13 it's the grass roots people are against this project.

14 The people that are for this, who have spoken in
15 favor of it, the Chamber of Commerce, anybody, anywhere
16 where there's money involved in this. But the people that
17 are concerned about the risk are the local people, many of
18 my neighbors are here, and we're here, and I just think that
19 I wanted to clarify that everybody's not from Malibu here,
20 by any stretch of the imagination.

21 And I think that Mr. Lacayo's statement was just,
22 I think, the epitome of what BHP has done, and their
23 supports, and I'm not saying everybody, but quite a few of
24 them, they're basing things on a big lie.

25 BHP has said that Cabrillo Port will guarantee we

T003-93

As discussed in Section 4.6.3, BHPB has stated that 18 entities have executed letters of interest in the possible purchase of natural gas when it becomes available from Cabrillo Port. These prospective customers represent a range of natural gas purchasers, including utilities, electricity generators, cogenerators, manufacturers, and trade groups.

T003-93

T003-93 Continued

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1 will have natural gas in the future. I've seen nothing
2 written that guarantees that Oxnard or Port Hueneme will be
3 guaranteed that we will get natural gas in an energy crisis.

4 A recent example of false promises was the recent
5 California energy crisis, Reliant Energy owns two
6 electricity generating plants in the Oxnard area. During
7 that crisis, Reliant shipped its electricity to Houston,
8 Texas and back to us at ten times the price.

9 Local residents had to deal with the pollution of
10 Reliant and then, when we needed something, we got nothing
11 in return.

12 The same deal's going to happen with Cabrillo
13 Port. Port Hueneme and Oxnard will suffer all the risk of
14 Cabrillo Port and get nothing for it.

15 Cabrillo Port does not guarantee that local
16 residents, that anything that supports say, we will get.

17 Mr. Facciano, from the Taxpayers Association, said
18 it will create a hundred jobs once it's done, and 300 to get
19 it set up. There's nothing that guarantees that local
20 residents will get those jobs. How many of those people are
21 going to be from Australia, for all we know.

22 There's nothing guaranteed anything here. And I
23 remember a Gary Larsen cartoon. I'm not sure if any of you
24 are familiar with Gary Larsen. I remember a cartoon with a
25 deer, and he had a target on him, and another deer says to

T003-93
Continued

T003-94

Section 4.16.1.2 contains information on Project-related
employment.

T003-94

1 him, oh, a birthmark.

2 Well, that Cabrillo Port out there, they might as
3 well just put a target on it, and not just because of the
4 possibility of a ship wrecking into it or even a terrorist
5 attack. The Point Magu missile test range, where the test
6 missiles, is around here.

7 I remember when they were testing -- originally,
8 when I moved here, they were testing cruise missiles, and
9 there used to be a lot of times when they'd go the wrong
10 way, they had to blow them up.

11 MODERATOR GRANT: Your time is up, sir.

12 MR. CALCATERA: Thank you.

13 MODERATOR GRANT: Kira Schmidt. Are you Kira?

14 MS. SCHMIDT: Yes. Good afternoon, my name's Kira
15 Schmidt, I'm the Executive Director of Santa Barbara Channel
16 Keeper. Santa Barbara Channel Keeper is a nonprofit
17 environmental organization dedicated to protecting and
18 restoring the Santa Barbara Channel and its watersheds
19 through citizen action, education, and enforcement.

20 Prior to working for Channel Keeper, I ran an
21 environmental advocacy campaign, combating the environmental
22 effects of shipping.

23 Channel Keeper finds that the EIR does not
24 adequately address the numerous impacts to water quality
25 that will result from the proposed project.

T003-95

Table 4.2-2 and Sections 4.2.6.1 and 4.2.7.6 contain information on the threat of terrorist attacks.

T003-95

Section 4.2.7.6 and the Independent Risk Assessment (Appendix C1) contain information on public safety impacts from various incidents at the FSRU. The analysis indicates that the maximum impact distance of an accident would involve a vapor cloud dispersion extending 6.3 nautical miles (7.3 miles) from the FSRU. The FSRU would be located approximately 12.01 nautical miles (13.83 miles) offshore; therefore, consequences of an accident involving LNG transport by carrier and storage on the FSRU would extend no closer than 5.7 nautical miles (6.5 miles) from the shoreline.

T003-96

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.18.4 contains updated text on potential water quality impacts and mitigation measures to address such impacts.

T003-96

T003-96 Continued

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1 The EIR correctly notes that accidental discharge
2 is a petroleum, sewage, gray water, and other contaminants
3 from the footing, the FSRU, as well as vessels during the
4 offshore construction and installation activities could
5 temporarily degrade offshore water quality.

6 However, the EIR provides no bases for its
7 repeated assumptions that such spills will be small,
8 infrequent, and insignificant.

9 The same applies to increases in turbidity or
10 resuspension of contaminated sediments from installation of
11 the FSRU and pipeline, and releases a drilling fluid into
12 offshore and surface waters. These activities could have
13 significant impacts on water quality and most are simply
14 waved aside without adequate analysis, which is not
15 acceptable.

16 The EIR's estimate of the volume of black water to
17 be generated aboard the FSRU is far too low. Estimates from
18 both the navy and EPA indicate that black water is generated
19 at a rate of between five and ten gallons per person, per
20 day, as opposed to the three gallons per person, per day,
21 explained in the EIR.

22 Numerous studies have shown that gray water often
23 contains numerous contaminants, as well. The EIR fails to
24 explain how gray water would be treated prior to discharge.
25 It also states that inadequately treated gray water or

T003-96
Continued

T003-97

Impact WAT-1 in Section 4.18.4 has been revised and contains additional information about the basis of the size of spills. Impact WAT-2 contains additional information about turbidity and resuspension of sediments. Impact WAT-3 contains additional information about the release of drilling muds.

T003-98

Section 2.2.2.6 and Impact WAT-5a in Section 4.18.4 have been revised to provide a more detailed explanation of discharges of treated black water. A USCG-approved Marine Sanitation Device (MSD) on the FSRU would use a sewage digester to reduce the black water volume. The MSD would generate approximately 85 to 90 gallons per day of treated black water and 55 to 60 gallons of sludge per day. The sludge would be packaged and transported offshore for proper disposal. The monthly discharge of treated black water would not exceed 2,642 gallons per month under the FSRU's NPDES permit.

T003-97

T003-99

"Wastewater Treatment and Discharge" in Section 2.2.2.6 contains information on gray water, which would be "treated using filtration to separate particulate matter and UV oxidation to destroy dissolved organic materials" and discharged in accordance with a facility-specific NPDES permit issued by the USEPA. Section 4.18.2 contains information on the regulations with which BHPB would comply to treat, discharge, and/or dispose of wastes and wastewaters. Section 4.18.4, specifically Impact WAT-5a, addresses the potential for such accidental discharges and concludes based on the analysis therein that this potential impact would be adverse but would be below the level of its significance criteria. Potential impacts on the marine environment from such discharges are discussed in Section 4.7.4.

T003-98

T003-99

T003-99 Continued

81

1 contaminated deck drainage that fails to meet water quality
2 standards could accidentally be released. Because this
3 significant criteria include violations of Federal, State or
4 local water quality standards, this impact would be
5 significant and, therefore, must be mitigated.

6 Channel Keeper notes that the drilling fluid
7 release monitoring plan will not do much at all to minimize
8 the potential for releases of drilling fluid, as stated in
9 the EIR but, rather, simply lays out plans for monitoring
10 and clean up after a release has already occurred.

11 Moreover, the plan only outlines measures that may
12 be used once loss of drilling fluids exceed 40 percent or in
13 other conditions. There's no assurance that these measures
14 will be used, nor information provided on how or who will
15 make these decisions.

16 While erosion and sedimentation are the most
17 common impacts on water quality from construction-related
18 activities, Channel Keeper notes there are several other
19 construction related pollutants that could potentially
20 degrade water quality and these are not examined in the EIR,
21 and they should be.

22 Beyond the additional analyses needed to support
23 or refute the EIR's claims that the above impacts will not
24 be significant, there are additional water quality impacts
25 that are completely unaddressed in the Revised Draft EIR.

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T003-99
Continued

T003-100

T003-101

T003-102

T003-103

T003-100

The Project has been modified, and pipelines would be installed beneath the shore using horizontal directional boring (HDB) instead of horizontal directional drilling (HDD) technology because HDB uses lower drilling fluid pressure, which minimizes or eliminates the risk of fluids escaping into the surrounding formation or to the surface. The Drilling Fluid Release Monitoring Plan (Appendix D1) contains training and monitoring procedures to prevent releases of drilling fluid.

Section 4.18.4 Impact WAT-3 has been revised and contains additional information about the measures used to prevent a drilling fluid release.

T003-101

The Drilling Fluid Release Monitoring Plan is a mitigation measure (WAT-3a). The lead Federal and State agencies share the responsibility to ensure that mitigation measures are implemented. Table 6.1-1 in Chapter 6 is the basis for the Mitigation Monitoring Program, which would be implemented, consistent with section 15097(a) of the State CEQA Guidelines, to ensure that each mitigation measure is incorporated into Project design, construction, operation, and maintenance activities.

The regulatory agencies will be responsible for ensuring compliance with their air and water permits.

T003-102

Tables 4.18-8 and 4.12-2 identifies pollutant-related regulations that were considered in the evaluation of water quality and hazardous materials impacts; Sections 4.18.4 and 4.12.4 identify those impacts.

T003-103

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. A closed loop tempered water cooling system, which recirculates water, would be used instead of a seawater cooling system, except during annual maintenance (four days for the closed loop tempered water cooling system, and four days for the Moss tanks when the inert gas generator [IGG] would be operating).

Because seawater would only be used as non-contact cooling

water during these maintenance activities, the volume of seawater used would be greatly reduced. Seawater would also be used for ballast. Section 2.2.2.4 describes the proposed seawater uptakes and uses for the FSRU. Appendix D5 describes seawater intakes and discharges during Project operations, and Appendix D6 describes the closed loop water system and provides thermal plume modeling analysis of discharges from the backup seawater cooling system.

When either the backup seawater cooling system or the IGG are operating, the temperature of the discharged seawater would be elevated above ambient temperatures no more than 20°F at the point of discharge and would be 1.39°F at 300 m from the point of discharge during the worst case scenario. These thermal discharges would comply with the California Thermal Plan (see Sections 4.7.4 and 4.18.4 and Appendix D6).

T003-103 Continued

82

1 The EIR estimates the cooling water discharges
2 from the FSRU will be 28.8 degrees Fahrenheit warmer than
3 the ambient sea temperature, which will violate the State's
4 thermal plan. And this impact, therefore, must be addressed
5 and mitigated.

6 The EIR fails to address the potentially
7 significant impacts that could result from the substantial
8 increase in shipping traffic associated with the proposed
9 project. Numerous vessels will be employed in the
10 installation of the FSRU mooring and pipeline, as well as
11 shipping LNG and supplies to the FSRU.

12 Every additional vessel trip generated by the
13 proposed project could result in significant degradation of
14 water quality due to discharges --

15 MODERATOR GRANT: Your time is up.

16 MS. SCHMIDT: -- of petroleum, black water, gray
17 water, and bilge water.

18 MODERATOR GRANT: Your time is up.

19 MS. SCHMIDT: Thank you.

20 (Applause.)

21 MODERATOR GRANT: Casey Walker? Is Casey Walker
22 present?

23 James Sovereign. Is James Sovereign present?

24 Edle Bakke or Bakke?

25 MS. BAKKE: Good afternoon, ladies and gentlemen.

T003-103
Continued

T003-104

Section 2.1 contains information on the regulations that the LNG carriers must meet under Vessel Standards Certificates of Class including the International Convention for the Prevention of Pollution from Ships. Section 4.18.2 contains information on the regulations with which the Applicant would comply to treat, discharge, and/or dispose of wastes and wastewaters. Impact WAT-5a in Section 4.18.4 contains additional information on this topic.

T003-104

Section 4.7.4 contains information on increases in marine traffic. Sections 4.7.2 and 4.7.4 contain additional information describing the regulatory requirements and mitigation measures designed to prevent and further reduce the potential of any oil spills in the marine environment and associated impacts on marine mammals and fish.

83

1 My name is Edle Bakke, I am a 14-year resident of Oxnard and
2 I'm here to protest using Oxnard as a dangerous LNG
3 terminal, and wish to protect our Ventura County's families,
4 homes, schools, farmlands, navy bases, coastline and air
5 quality from the dangers of liquified natural gas terminals,
6 LNG supertankers, and new, high-pressured pipelines which,
7 by the way, will be 36 inches in diameter.

8 Pro LNG petitioners have been seen soliciting
9 Oxnard citizens, asking them to sign petitions favoring an
10 LNG terminal in our area, bribing them to sign these
11 petitions by offering them Scratch tickets that would make
12 it possible to win thousands of dollars. Are the LNG people
13 so desperate that they must use these tactics? And by the
14 way, were these people sending out the petitions paid
15 petitioners.

16 Thank you.

17 (Applause.)

18 MODERATOR GRANT: Thank you. Our next grouping
19 will be Renee Klimczak, Anthony -- I really can't read this,
20 I'm sorry, C-h-a -- Casey, I'm not sure if you're here.
21 Terrence Janetz, Dennis Drissi, and Rachel Douglas.

22 MS. KLIMCZAK: My name's Renee Klimczak and I'm
23 President of BHP Billiton, International. I'm addressing
24 you again, today, and hopefully to conclude the comments
25 that commenced last night.

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T003-105

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T003-105

T003-106

Thank you for the information.

T003-106

T003-107
Thank you for the information.

84

1 Importantly, I wanted to present some news in
2 relation to the air quality of Cabrillo Port. For some
3 period we've been working on, been working to secure
4 emission reduction opportunities. And just this past week
5 we've signed agreements with two marine transportation
6 service providers to replace engines in tugboat hauling
7 barges off the Southern California coast. We're still
8 verifying the data, but at present it appears that as a
9 result of these agreements emissions of oxides and nitrogen
10 will be reduced by approximately 219 tons per year.

11 This reduction more than meets the requirements we
12 have with EPA for the air permitting on this facility.

13 Also, these new agreements are just one element of
14 an air emission reduction program we announced, yesterday,
15 and which has already been examined in the Revised Draft
16 EIR.

17 In total, the submission reduction program reduces
18 noxious emissions by up to 800 tons per year, which equates
19 to more emission reductions than would be required if
20 Cabrillo Port were to be located onshore.

21 The program also yields significant reductions in
22 emissions of other pollutants. This is good news for the
23 residents of Southern California and further testimony of
24 BHP's commitment to be a good neighbor.

25 It's important to go on record, also, to clear up

T003-107

1 some misunderstandings about the project, which had been
2 described repeatedly incorrectly.

3 This is a floating facility for converting LNG
4 into natural gas, nearly 14 miles offshore. And unlike
5 open-loop or seawater based regasification processes,
6 Cabrillo Port uses heated air and it's regasification will
7 have no significant impact on marine life.

8 Cabrillo Port is cleaner and less visible from
9 shore than any of the thousands of ships that dot the
10 horizon every year as they move to and from Los Angeles. It
11 will be located beyond the shipping lands and is removable,
12 unlike the platforms only a few miles off the coast.

13 The onshore pipeline route has been rerouted many
14 times to address community concerns. It is primarily -- the
15 existing pipeline route is primarily in agricultural land
16 areas. We continue to work with the school districts, and
17 others, on the issue as described by Mrs. Carroll, only a
18 few comments ago, to further improve the route to address
19 all concerns.

20 As such, Cabrillo Port is a reliable, safe, and
21 environmentally friendly option for providing California
22 with a new source of natural gas and, in doing so, Cabrillo
23 Port is expected to bring more than \$25 million annually to
24 the community. Thank you.

25 MODERATOR GRANT: Thank you.

T003-107
Continued

(Applause.)

MODERATOR GRANT: Anthony and, sir, could you spell your last name for the record? Thank you.

MR. CHAVEZ: Anthony Chavez. I've been lucky enough to have been raised on the Oxnard plain for the last 67 years. The lady who just spoke on behalf of Billiton seems to have made our case in terms of the amount of pollution that would be produced and they are still addressing those concerns.

When I look at the size of that ship and the globes of natural gas that it contains, under pressure, I'm reminded of a floating mine, which is the best description that comes to mind.

Have we forgotten Bopal, India? Importing another energy source is counter productive in that it interferes with domestic development of alternative sources of energy.

How is it that Broken Hill, BHP, is the only company suggesting this terminal? Permitting the gas terminal will only open the door to further oil drilling in the channel, as well.

Finally, in addition to earthquake faults and a growing community, a sensitive marine environment, the odds are that a poisonous gas explosion will occur. It's logical, it is one of the most turbulent channels in the world. Thank you.

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T003-108

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. Section 4.6.1.3 contains revised information on Project emissions and proposed control measures. Section 4.6.4 discusses the health effects attributed to air pollutants and includes revised impacts and mitigation measures. Appendices G1 and G2 include the assumptions and emission factors used to calculate emissions.

T003-109

Section 4.2 and Appendix C contain information on this topic. Section 2.2.2.3 discusses the FSRU's storage facilities that would be operated at approximately 1 pound per square inch above atmospheric pressure. Section 2.2.2.5 discusses the FSRU's emergency depressurizing and venting systems.

T003-110

Sections 1.2.2, 1.2.3, 1.2.4, 3.3.1, 3.3.2, and 4.10.1.3 contain information on the need for natural gas, the role and status of energy conservation and renewable energy sources, and the California Energy Action Plan.

The lead agencies directed preparation of the Independent Risk Assessment (IRA), and the U.S. Department of Energy's Sandia National Laboratories independently reviewed it, as discussed in Section 4.2 and Appendix C.

Section 4.2.7.6 and the IRA (Appendix C1) discuss the models and assumptions used and the verification process. Sandia National Laboratories (Appendix C2) concluded that the models used were appropriate and produced valid results.

T003-111

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

Section 4.20.1.3 contains information on the Port of Long Beach Sound Energy Solutions Onshore LNG Terminal and Section 4.20.1.1 contains information on the Clearwater Port project. Section 4.20.3 analyzes the potential cumulative impacts of these projects

T003-112

Section 4.11 contains information on seismic and geologic hazards. Appendices J1 through J4 contain additional evaluations of seismic hazards. Section 4.7.4 contains information on impacts on marine

biology. Section 4.2.6 discusses the public safety risk analysis process. Section 4.2.8.4 discusses the estimated risk of Project pipeline incidents.

1 (Applause.)

2 MODERATOR GRANT: Terence Janisch, J-a-n-i-s-c-h?
3 Dennis Drissi?

4 MR. DRISSI: Hi, I'm Dennis Drissi, that's D-r-i-
5 s-s-i. I thought I was going to get free pizza, but I guess
6 I'm not the Chamber of Commerce.

7 There's going to be another expenditure in regards
8 to having a natural gas plan out there. Back in the year
9 2004, November, Platform Gale had a leak on their platform.
10 That required the evacuation of 39 workers on that platform.
11 That also took all our resources, our emergency resources,
12 which included the Sheriff's Department, Oxnard PD, Highway
13 Patrol, Coast Guard, and the U.S. Navy.

14 The Sheriff's Department sent out their own
15 helicopter, they were looking for or smelling for nitrogen
16 sulfite. They evacuated that 39 people safely. But that
17 took all of our resources.

18 And I'm assuming this is new to you and I'm
19 assuming you're going to have emergency drills maybe every
20 two months, maybe three months. I would consider
21 subsidizing what we pay in taxes to our Sheriff's
22 Department, Oxnard PD. Highway Patrol wasn't in this. But
23 also the Coast Guard. This is something to take into
24 consideration.

25 Another thing, this natural gas is a commodity.

T003-113

Section 4.2.5 contains information on financial responsibilities of the Applicant in the event of an accident. Section 4.16.1.2 contains information on emergency planning and response capabilities. Table 4.16-14 lists fire and emergency medical services in the proposed Project area. Impact PS-1 in Section 4.2.7.6 contains information on emergency drills.

T003-113

88

1 You're going to be selling this gas to the highest bidder.
 2 You make it sound like the gas that's 14 miles out there is
 3 going to come directly to my stove. It's not. It could go
 4 directly to Arizona. You're going to be shipping by rail,
 5 by truck, to the highest bidder. It's a commodity item,
 6 you're going to sell it to the highest bidder. That's the
 7 way everything works.

8 So, again, you might want to subsidize our
 9 emergency agencies out here. Thank you.

10 (Applause.)

11 MODERATOR GRANT: Rachel Douglas.

12 MS. DOUGLAS: Hello, thank you for allowing me to
 13 comment. My name is Rachel Douglas, I'm a real estate agent
 14 here, in Ventura County, and my kids and I live and own at
 15 the Colony, in Oxnard Shores, by our beautiful beaches.

16 I also followed the plan, many years ago, to put
 17 an LNG plant at Coho Bay, near Gaviota, in Santa Barbara
 18 County. It was rejected by the Santa Barbara population.

19 LNG then was shown to be dangerous, and it is
 20 still dangerous, with many unknowns, now.

21 California has earthquakes. We live in earthquake
 22 territory. This is a fact. The tremendous devastation in
 23 Northridge proves this. Geologists will tell you that
 24 another large earthquake is inevitable. There is also
 25 concern regarding worker errors, terrorists, malfunctions,

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T003-114

T003-114

As discussed in Section 4.6.3, BHPB has stated that 18 entities have executed letters of interest in the possible purchase of natural gas when it becomes available from Cabrillo Port. These prospective customers represent a range of natural gas purchasers including utilities, electricity generators, cogenerators, manufacturers, and trade groups. Gas from BHPB will remain in California.

T003-115

Section 3.3.7.4 discusses this alternative offshore location. The lead agencies directed preparation of the Independent Risk Assessment (IRA), and the U.S. Department of Energy's Sandia National Laboratories independently reviewed it, as discussed in Section 4.2 and Appendix C. Section 4.2.7.6 and the IRA (Appendix C1) discuss the models and assumptions used and the verification process. Sandia National Laboratories (Appendix C2) concluded that the models used were appropriate and produced valid results.

T003-116

Section 4.11 contains information on seismic and geologic hazards and mitigation that specifically addresses the potential damage to proposed pipelines from a direct rupture along fault lines. Appendices J1 through J4 contain additional evaluations of seismic hazards.

T003-115

T003-117

Table 4.2-2 and Sections 4.2.6.1 and 4.2.7.6 contain information on the threat of terrorist attacks. Section 4.2.6 discusses the public safety risk analysis process.

T003-116

T003-117

T003-117 Continued

89

1 tsunamis, heavy channel fog, and near tanker crashes with
 2 other boats. You name it, it's possible. These are
 3 realistic possibilities.

4 LNG is polluting and it is dangerous, whether on
 5 land or on huge tankers out in the channel, it is too close
 6 to our very large boating and land population here in
 7 Oxnard.

8 Sometimes large, very safety conscious
 9 corporations and politicians are wrong, and even with all
 10 the safety features that are being undertaken, nevertheless,
 11 accidents do happen. Nothing is foolproof.

12 The Twin Towers and the Exxon Valdez proves this.
 13 It was also supposedly the best technology and supposedly
 14 safe.

15 LNG tankers and facilities should not be placed so
 16 close to such a large population. Our community is too
 17 large to be at risk. The safety of our kids and families
 18 comes first, it's that simple. This is a huge population,
 19 our safety comes first.

20 Also, as a real estate agent, I know that every
 21 home seller is required to make disclosure statements to
 22 buyers regarding the seller's property and their
 23 neighborhood. Disclosing an LNG project will only hurt all
 24 of our property values and it must be disclosed to potential
 25 buyers.

T003-117
Continued

T003-118

T003-118

Sections 4.6 and 4.18 contain information on air and water pollution. Section 4.3.4 contains information on impacts on marine traffic. Section 4.15.4 contains information on impacts on recreational boating. Section 4.16.4 contains information on commercial shipping. Section 3.3.7 contains information on the analysis of specific potential Project locations in California. The deepwater port would be 12.01 nautical miles (13.83 miles) offshore, as shown on Figure ES-1.

T003-119

T003-119

Table 4.2-2 and Sections 4.2.6.1 and 4.2.7.6 contain information on the threat of terrorist attacks. Section 4.2.6 discusses the public safety risk analysis process.

T003-120

T003-120

Section 4.2.7.6 and the Independent Risk Assessment (Appendix C1) contain information on public safety impacts from various incidents at the FSRU. The analysis indicates that the maximum impact distance of an accident would involve a vapor cloud dispersion extending 6.3 nautical miles (7.3 miles) from the FSRU. The FSRU would be located approximately 12.01 nautical miles (13.83 miles) offshore; therefore, consequences of an accident involving LNG transport by carrier and storage on the FSRU would extend no closer than 5.7 nautical miles (6.5 miles) from the shoreline. Figure ES-1 depicts the consequence distances surrounding the FSRU location for worst credible events.

T003-121

T003-121

Section 4.16.1.2 contains information on property values.

T003-121 Continued

90

1 I agree with the woman who spoke earlier, who is a
 2 real estate appraiser, LNG will not be good for our property
 3 values and may even discourage some buyers for purchasing
 4 here. For safety reasons and financial reasons, LNG should
 5 be moved out of the very populous Ventura County. Thank
 6 you.

7 (Applause.)

8 MODERATOR GRANT: Be sure, if you would like to
 9 speak this afternoon, that you've filled out a yellow
 10 speaker card with one of the people at the front
 11 registration desk.

12 The final grouping of names right now are Jane
 13 McCormick-Tolmach, Shirley Godwin and Larry Godwin. Are you
 14 present?

15 Jane McCormick-Tolmach, are you present? Okay,
 16 could you come forward, please?

17 MS. MC CORMICK-TOLMACH: Dear Commissioners, thank
 18 you for hearing us in the Oxnard, it's very important.

19 I wish to comment on the Revised Draft EIR
 20 relating to safety issues. My huge U.S. map of the coast,
 21 from Point Dume to Paricama Point, has a different name for
 22 Point Magu sea range than the Draft EIR uses. Mine says,
 23 "caution, Pacific Missile range." It's called a sea range
 24 instead of a missile range, because it is a missile testing
 25 range. And this range is very close to the FSRU.

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T003-121
Continued

T003-122

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

T003-123

The Point Mugu Sea Range was formerly known as the Pacific Missile Range. The FSRU would be located 3.5 NM (3.54 miles) from the eastern boundary of the Point Mugu Sea Range (Pacific Missile Range).

Section 4.3.1.1 contains information on existing conditions. Impacts MT-5 and MT-6 in Section 4.3.4 discuss Naval operations and the operation of the Point Mugu Sea Range and the potential impacts of the presence of the FSRU.

T003-122

T003-123

91

1 I was on the Oxnard City Council when we carefully
 2 studied the liquified natural gas facility in Oxnard, in the
 3 seventies. The worst case scenario in the huge EIR was an
 4 LNG ship accident in the shipping lanes. The vapor could
 5 that forms when the minus 260 degrees LNG hits the water and
 6 the prevailing onshore wind were expected to cause danger to
 7 a greater distance than predicted in this draft EIR.

8 The examination was inadequate in this EIR of the
 9 wind direction and strength in relation to that vapor cloud,
 10 because it's a very important thing. And there's such a
 11 tremendous difference in the distance predicted back when we
 12 examined this issue.

13 In addition to the distance, also this EIR just
 14 disputes the fact that there could be a -- this destruction
 15 of the three tanks, of the whole ship, and I think that with
 16 the -- oh, with an intentional terrorist attack, would
 17 likely be done in the worst weather to achieve more, and I
 18 think we need to be realistic.

19 MODERATOR GRANT: Time's up.

20 MS. MC CORMICK-TOLMACH: Okay, thank you.

21 (Applause.)

22 MODERATOR GRANT: Shirley Godwin.

23 MS. GODWIN: My name is Shirley Godwin and I'm a
 24 44-year resident of Oxnard. BHP Billiton's input into this
 25 Draft EIR is deceptive in many ways. I'm going to highlight

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T003-124

T003-124

LNG carriers approaching and departing the Cabrillo Port FSRU would travel on the routes depicted in Figure 4.3-2 (also see Section 4.3.1.3). LNG carriers would neither cross nor enter the Santa Barbara Channel traffic separation scheme (TSS) under normal operating conditions. The FSRU would be located about 2 nautical miles from the southbound coastwise traffic lane. Given this distance, its presence, under normal operating conditions, would not interfere with operations in the TSS.

All LNG carriers would be equipped with an automatic identification system (AIS) so that they would be able to detect other LNG carriers and other vessels. Also, all LNG carriers would be responsible for adhering to the "rules of the road" for ship traffic. Section 4.3.1.4 describes safety measures to be used.

T003-125

Section 4.2.3, the Independent Risk Assessment (Appendix C1), and the U.S. Department of Energy's Sandia National Laboratories' review of the Independent Risk Assessment (Appendix C2) contain information on the 1977 Oxnard study. Section 4.2.7.6 and the Independent Risk Assessment (Appendix C1) contain information on public safety impacts from various incidents at the FSRU. The analysis indicates that the maximum impact distance of an accident would involve a vapor cloud dispersion extending 6.3 nautical miles (7.3 miles) from the FSRU. The FSRU would be located approximately 12.01 nautical miles (13.83 miles) offshore; therefore, consequences of an accident involving LNG transport by carrier and storage on the FSRU would extend no closer than 5.7 nautical miles (6.5 miles) from the shoreline.

T003-126

T003-125

Section 4.1.8.5 addresses existing wind conditions at the offshore Project site. Section 2.3.5.3 of the Independent Risk Assessment (IRA) (Appendix C1) contains information on the environmental, meteorological and ocean conditions that were considered in the modeling of LNG spills and dispersion.

The IRA, which was independently reviewed by the U.S. Department of Energy's Sandia National Laboratories, evaluates the consequences of a potential vapor cloud (flash) fire, as discussed in Section 4.2.7.6 and the IRA. The IRA determined that the consequences of the worst credible accident involving a vapor cloud fire would be more than 5.7 NM from shore at the closest point, as summarized in Table 4.2-1. Figure 2.1-2, Consequence Distances Surrounding the FSRU Location for Worst Credible Events, depicts the maximum distance from the FSRU in any direction that could be affected in the event of an accident. The

shape and direction of the affected area within the circle depicted in Figure 2.1-2 would depend on wind conditions and would be more like a cone than a circle, but would not reach the shoreline.

T003-126

NEPA does not require "worst-case analysis" but does require the agency to prepare a summary of existing relevant and credible scientific evidence and an evaluation of adverse impacts based on generally accepted scientific approaches or research methods. However, the Independent Risk Assessment (IRA) (Appendix C1) defines and evaluates representative worst credible cases (scenarios of events that would lead to the most serious potential impacts on public safety). These included accidents that would affect one, two, or all three tanks of the FSRU.

As shown in Tables 4.2-1, 4.2-2, 4.2-7, and 4.2-8, the release of the contents of all three tanks (the entire contents of the FSRU and an attending LNG carrier) is addressed in the escalation scenario associated with a large intentional event. Section 4.2.7.6 contains additional information on how intentional events are addressed. Although the 2006 U.S. Department of Energy's Sandia National Laboratories third-party technical review of the 2004 IRA found that the three-tank simultaneous release (a massive LNG release in a short time period) was not credible, Sandia recommended the consideration of a cascading (escalation) three-tank scenario.

Table 4.2-2 and Sections 4.2.6.1 and 4.2.7.6 contain additional information on the threat of terrorist attacks.

1 three of those areas where I feel like they have been
2 deceptive.

3 The deception begins in the introduction, in
4 Section 1.2.3, titled "Natural Gas Need in California." The
5 California Energy Commission Action Plan II is quoted in the
6 discussion of need. This discussion is deceptive by
7 omission. Not only does it leave out the text of the Action
8 Plan, Section 6, which is titled "Natural Gas Supply,
9 Demand, and Infrastructure," but it lists just three of the
10 eight key actions that are recommended. The other five key
11 actions are equally important and should have been included
12 for context.

13 Second area is in adding the odorant at the FSRU,
14 in order to address concerns, they listed that as a major
15 change from the October 2004 Draft EIR. But this does not
16 address the safety concerns of storing and adding odorant at
17 the onshore metering building.

18 In the new draft, in Section 2.0, titled
19 "Hazardous Materials and Lubricant Management Natural Gas
20 Odorization," there is discussion of the extreme hazard and
21 flammability of the odorant on the FSRU. However, in
22 Section 2.4.1.3, a back-up odorant injection system, the
23 draft states that odorant will be stored and injected
24 directly into the pipeline at the onshore metering station,
25 as well. Yet, there's no mention of the hazard and

T003-127

Section 1.2.3 presents the key actions of Energy Action Plan II that are relevant to the purpose and need for natural gas; however, Table 4.10.1.3 lists all eight key actions of Energy Action Plan II.

T003-128

The mercaptan gas (odorant) would be SpotLeak 1039, a 50/50 mixture of tert-Butylmercaptan (CAS 75-66-1) and Tetrahydrothiophene (CAS 110-01-0). This material is classified as hazardous under Federal Occupational Safety and Health Administration regulation. Section 2.4.1.3 contains a revised discussion concerning the handling of SpotLeak 1039 at the onshore metering station.

T003-127

T003-128

T003-128 Continued

93

1 flammability of the odorant at this onshore building.

2 Section 4.2.7, in the public safety hazards and
3 risks analysis, also states that additional odorant will be
4 added onshore, but does not describe the onshore hazards.

5 The third area I want to mention is BHP's last-
6 minute press release yesterday, announcing what they call
7 their "Comprehensive Air Emission Reduction Program." It is
8 the most deceptive of all.

9 By saying that they will use natural gas, instead
10 of diesel fuel in State and Federal waters, only means using
11 natural gas relatively close to shore. This allows BHP to
12 use polluting diesel fuel out at sea, in international
13 waters.

14 Also, using advanced engines in tugboats servicing
15 Cabrillo Port and replacing the engines in two other
16 tugboats is only what will be required, anyway, to meet
17 Southern California air quality requirements, even without
18 the BHP project. Can we trust anything they say or their
19 technical data?

20 MODERATOR GRANT: Ms. Godwin, thank you.

21 (Applause.)

22 MODERATOR GRANT: Larry Godwin.

23 MR. GODWIN: I'm Larry Godwin, a 44-year resident
24 of Oxnard, recently retired. I worked as a physicist at
25 Point Magu for 40 years.

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T003-128
Continued

T003-129

T003-129

The Project has been modified since issuance of the March 2006 Revised Draft EIR. See Section 1.4.2 for a summary of Project changes. LNG carriers associated with the Project would operate on natural gas (boil-off gas from the LNG cargo) with 1 percent diesel pilot during all operations in California Coastal Waters. Section 4.6.1.3 contains information on emissions from LNG carriers operating in California Coastal Waters, as defined by the California Air Resources Board.

1 The Revised Draft EIR is deceptive in that for the
2 most part the revisions only add verbiage to the document,
3 without adding any useful information. This is done to
4 create an illusion of completeness.

5 Appendix C-1 uses invalidated computer models to
6 determine safety zones. This would not be acceptable in a
7 military safety review board.

8 To highlight further this deception, in Section
9 4.1.8 weather data is presented to create an illusion of
10 knowledge. Buoy 46025 is listed on page 4.1-7 as eight
11 miles from the FSRU site.

12 On page 4.1-13, it is stated that the FSRU site is
13 located several miles north of Buoy 46025. This implies
14 that the data from Buoy 46025 can be used as data from the
15 FSRU site. That's not true.

16 Also, atmospheric soundings are sounded as
17 indicative of weather conditions at the FSRU site. The
18 atmospheric soundings are used from Vandenberg Airforce
19 Base, which is in Santa Barbara County, on a west facing
20 beach, approximately 95 miles to the north. The FSRU is off
21 a south facing beach.

22 No atmospheric soundings or wind data from the
23 Naval Air Station Weapons Division at Point Magu was
24 presented, only visibility data. Even though Point Magu is
25 less than 20 miles from the FSRU. Why?

T003-130

Your statement is included in the public record and will be taken into account by decision-makers when they consider the proposed Project.

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T003-131

The lead agencies directed preparation of the Independent Risk Assessment (IRA), and the U.S. Department of Energy's Sandia National Laboratories independently reviewed it, as discussed in Section 4.2 and Appendix C.

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Section 4.2.7.6 and the IRA (Appendix C1) discuss the models and assumptions used and the verification process. Sandia National Laboratories (Appendix C2) concluded that the models used were appropriate and produced valid results.

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As there are no buoys at the proposed FSRU location, the analysis relies on information from existing nearby buoys as explained in Section 4.1.8.5, which states, "The wave record at Buoy 46025 is also longer and thus there have been more opportunities to measure waves during a severe winter; therefore, use of these data provide a statistically more complete depiction of the wave conditions in this area."

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Section 4.1.8.5 contains information on meteorology and climate in the Project area, including average wind speed and direction. Information on wind speed and direction is also summarized in Appendix C2. Atmospheric sounding data are not publicly available from other sources, such as the Ventura County Naval Base; the information from Vandenberg Air Force Base is applicable to the region. Data from land recording stations in Oxnard were not used in the analysis; offshore data from the National Oceanic and Atmospheric Administration (NOAA) buoys better indicate offshore conditions.

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1 No weather was presented from the National Weather
2 Service, which has an office in Oxnard. Every night I watch
3 the weather report on TV and the surface wind, direction and
4 strength is given for the FSRU area.

5 Why not ask the National Weather Service for past
6 weather data? Thank you.

7 (Applause.)

8 MODERATOR GRANT: Thank you. I'm going to go
9 through some previously called names to see if these
10 individuals have returned to the room. Joe Gerhoff?
11 Patricia Dowd? Rob Parmouth? Diane Safford? Marcello
12 DeAndrade? Jeff Weis? Casey Walker? James Sovereign.
13 Terrance Janisch. Are any of those individuals in the room?

14 Is there anyone in the room who would like to
15 speak, who did not fill out a speaker card?

16 Okay, seeing none, we are scheduled to be here,
17 for this particular shift, until about four o'clock, that's
18 about 15 minutes. We will remain here until that time to
19 receive any additional comments, should people arrive. Then
20 we will break at four o'clock, to reconvene at 6:30 and
21 continue this public hearing process.

22 If you have spoken this afternoon, your comments,
23 your name, your handouts, all that you demonstrated to us
24 this afternoon have been entered into the record.

25 So if you want to come this evening, you're more

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Continued

1 than welcome to do so. We will be encouraging people to
2 speak, who have not participated in the process, yet.

3 Thank you. Yes?

4 MS. BROWN: I filled out a card a while ago and
5 you haven't called me.

6 MODERATOR GRANT: Okay, I'm sorry. Would you come
7 forward, please, state your name, spell it for the record,
8 and you'll be given three minutes to speak.

9 MS. BROWN: My name is Pat Brown, P-a-t
10 B-r-o-w-n.

11 I've been listening to all of these speakers all
12 afternoon, and making some notes, and I ran across -- I have
13 lots of concerns about this project, and I ran across
14 something here on 3.3.4. It goes on about different new and
15 expanded pipeline systems.

16 It says, "construction of a new gas pipeline would
17 most likely involve disruptive activities through the
18 desert," and it's talking about the Kern River area. And so
19 it says, "it could cause long-term consequences for
20 vegetation and wildlife habitat, which would be removed
21 during construction, as well as potential impact on
22 threatened, endangered species endemic to the desert, such
23 as Desert Tortoises," and so on.

24 Well, what's wrong with Ormond Beach, what's wrong
25 with our farmland, is that okay to destroy that? Is it okay

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Section 4.7 and Appendix I have been updated to reflect the status of the ongoing Section 7 ESA consultation for threatened and endangered marine species.

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As described in Section 2.3.2, the shore crossing would be installed beneath Ormond Beach. Sections 4.8.1 and 4.14.1.2 discuss Ormond Beach wetlands. Section 4.8.4 discusses mitigation measures to minimize impacts on wetlands. The presence of the pipelines beneath Ormond Beach would not restrict access to the area for recreation or otherwise alter recreation opportunities at Ormond Beach. During construction, the horizontal directional boring activities would be contained within the Reliant Energy property, and the pipeline would be buried underneath the beach. This topic is discussed further in Sections 4.15.4 and 4.2.8.4. Updated information about the restoration efforts at Ormond Beach is included in Section 4.13.2.

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1 to destroy our farmland, and Ormond Beach, and our natural
 2 resources, and our Ormond Beach that we're going to try to
 3 preserve? Is it wrong to destroy that? Yes, it is, it is
 4 very wrong to destroy that.

5 We're no worse than Kern River. You can put it up
 6 there and we'll be delighted.

7 I have a lot of other concerns, I made a lot of
 8 notes. The safety of the oil refinery that you've got at
 9 Del Norte and Fifth. It's an oil refinery. This pipeline
 10 is expected to go right past it. Also, just north of Fifth,
 11 on Del Norte is a truck refueling station, where all the
 12 big, huge trucks that are on their way here, to the port, to
 13 fill up, stop there and fuel up or fuel up there on their
 14 way back out, and up Del Norte to the freeway, to the 101.
 15 They get so stacked up with trucks there, waiting to refuel,
 16 and many times in the day, every day, that they can't handle
 17 it all, it's just jammed much of the time. They're all out
 18 in the middle of the street, as well as all through their
 19 piped area.

20 And, in fact, some of them have to park over in a
 21 farmland area across the street, because there's no room to
 22 park even in the middle of the street.

23 I mean, these are within quarter of a mile, right
 24 on the route, a quarter of a mile apart. If an explosion
 25 would occur at one location, it would bring it right to the

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Continued

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Table 4.13.1 and Section 4.13.1.3 contain information on existing land uses along the proposed Center Road Pipeline, including the Mac Valley Oil Company.

Section 4.2.8 contains information on safety requirements for pipelines. Section 4.2.8.4 contains information on the estimated risk of Project pipeline incidents and potential impacts and mitigation measures concerning public safety risks of pipelines. Section 4.13.1 discusses the proximity of the proposed pipeline routes to residences and schools.

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Continued

1 other location, it's that close.

2 MODERATOR GRANT: Ms. Brown, your time is up.

3 MS. BROWN: Thank you.

4 (Applause.)

5 MODERATOR GRANT: Thank you. Is there anyone
6 else? Anyone else who would like to speak in the process,
7 on the list? All right, thank you. As I said before,
8 barring any final comments from our Panelists, we will be
9 here for the next ten minutes, in case anyone else would
10 like to speak.

11 (Off the record.)

12 MODERATOR GRANT: I've been reminded that those of
13 you have written comments for today, or in the near future,
14 you can submit them by May 12th.

15 (Off the record.)

16 MODERATOR GRANT: The hour being four o'clock,
17 this segment of the public hearing will now go into recess
18 until 6:30. We are going to clear and lock this room, and
19 we will reconvene at 6:30. Thank you.

20 (Thereupon, the April 19, 2006,
21 1:00 P.M. meeting and public
22 hearing concerning the Cabrillo
23 Port Liquefied Natural Gas
24 Deepwater Port, was adjourned at
25 4:00 p.m.)

CERTIFICATE OF REPORTER

I, RONALD J. PETERS, a Certified Shorthand
Reporter, do hereby certify:

That I am a disinterested person herein; that the
foregoing U.S. Department of Homeland Security, U.S.
Department of Transportation, and California State Lands
Commission public hearing on the Cabrillo Port Liquefied
Natural Gas Deepwater Port was recorded by my staff,
thereafter transcribed into typewriting, and personally
proofread by me.

I further certify that I am not of counsel or
attorney for any of the parties in this matter, nor in any
way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand
this 24th day of April, 2006.

Ronald J. Peters

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